



Carlos Jackson
Executive Director

HOUSING AUTHORITY of the County of Los Angeles

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

**AGENDA
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY HOUSING COMMISSION
WEDNESDAY, APRIL 23, 2008
12:00 NOON
NUEVA MARAVILLA
4909 CESAR E. CHAVEZ AVE.
LOS ANGELES, CA 90022
(323) 260-2188**

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1. Call to Order

2. Roll Call

Severyn Aszkenazy, Chair
Adriana Martinez, Vice Chair
Philip Dauk
Lynn Caffrey Gabriel
Henry Porter, Jr.
Alberta Parrish

3. Reading and Approval of the Minutes of the Previous Meetings

Regular Meeting of February 27, 2008

The regular Meeting of March 26, 2008, was cancelled.

4. Report of the Executive Director

5. Public Comments

The public may speak on matters that are within the jurisdiction of the Housing Commission. Each person is limited to three minutes.

6. Staff Presentations

Quarterly Construction Contract Status Report – Geoffrey Siebens

Section 8 Program Status Report – Margarita Lares

Regular Agenda

7. Approve Agreement with Simpson & Simpson, CPAs for Financial Audit Services (All Districts)

Recommend that the Board of Commissioners find that the approval of a one-year agreement for Financial Audit Services is not subject to the provisions of the California Environmental Quality Act (CEQA); approve the expenditure of an aggregate of up to approximately \$211,863 for financial auditing services provided to the Housing Authority by Simpson & Simpson, CPAs; approve the expenditure of additional funds of up to \$60,000 for any unforeseen, needed financial audit services. (APPROVE)

8. Concurrence of the Board of Supervisors/Commissioners Action to Approve Three Construction Contracts and Two Environmental Assessment and Remediation Agreements for Modernization of Eight Elevators at Three Housing Authority Senior Housing Developments (2,3)

Concur with the Board of Supervisors/Commissioners action and find that the approval of construction contracts and environmental assessment and remediation agreements for modernization of eight elevators is exempt from the provisions of the California Environmental Quality Act (CEQA); approve and authorize the Executive Director to execute three construction contracts (Contracts) in the aggregate amount of \$2,273,000 with ML Construction, to modernize eight elevators at the following three senior housing developments: South Bay Gardens located in the unincorporated area of Los Angeles County, Marina Manor, and Palm Apartments; approve and authorize the Executive Director to execute two environmental assessment and remediation agreements (Agreements) in the aggregate amount of \$160,000 with Rincon Consultants, Inc., for environmental assessment services; authorize the Executive Director to use a maximum aggregate amount of \$2,433,000 in Capital Fund Program (CFP) funds for the purposes described herein, and authorize the Executive Director to approve Contract change orders not to exceed \$486,600 for unforeseen project costs; authorize the Executive Director to incorporate up to \$2,919,600 in CFP funds into the Housing Authority's approved Fiscal Year 2007-2008 budget. (CONCUR)

9. Approve the 2008-2009 Action Plan for the Allocation of Federal Funds (All Districts)

Recommend that the Board of Commissioners authorize the Housing Authority of the County of Los Angeles (Housing Authority) to accept from the County of Los Angeles an estimated \$2,008,511 in Fiscal Year 2008-2009 Community Development Block Grant (CDBG) funds, and to continue administration of \$1,737,704 in prior year CDBG funds; authorize the Executive Director of the Housing Authority to request the incorporation of \$2,008,511 into the Housing Authority's budget; authorize the Executive Director to execute CDBG Reimbursable Contracts with the County of Los Angeles, to provide funding for the activities described herein. (APPROVE)

10. Resolution Authorizing the Issuance of Multifamily Housing Mortgage Revenue Bonds for the Sierra Bonita Apartments in the City of West Hollywood (3)

Recommend that the Board of Commissioners find that the approval of a resolution authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles to finance the site acquisition and construction of the 42-unit Sierra Bonita Apartments is not subject to the California Environmental Quality Act (CEQA); adopt a resolution authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles, in an aggregate amount not exceeding \$11,000,000, to assist 7530 Santa Monica L.P. (Developer) in financing the site acquisition and construction of the 42-unit Sierra Bonita Apartments (Project), to be located at 7530 Santa Monica Boulevard in the City of West Hollywood; authorize the Executive Director to execute all related documents and take all necessary actions for the Developer to finance the site acquisition and construction of the Project. (APPROVE)

11. Approve the Housing Authority of the County of Los Angeles Fiscal Year 2008-2009 Budget

Recommend that the Board of Commissioners adopt and sign a Resolution approving the Housing Authority of the County of Los Angeles (Housing Authority) Fiscal Year 2008-2009 Budget (Budget), which includes revenues and expenditures of \$294,058,500; adopt and sign a Resolution approving the cost allocation model; approve amendment of the Housing Authority's Monthly Salary Schedule effective July 1, 2008. (APPROVE)

12. Approve Construction Contract for Willowbrook Townhomes Site Improvements and Rehabilitation Project (2)

Recommend that the Board of Commissioners find that the approval of a construction contract for exterior site improvements and the rehabilitation of one vacant unit at the Willowbrook Townhomes is exempt from the provisions of the California Environmental Quality Act (CEQA); approve and authorize the Executive Director to execute a Contract, in the amount of \$244,757 with SPEC Construction Company, Inc.; authorize the Executive Director to use a total of \$244,757 in General Fund Bond Fees; and authorize the Executive Director to approve Contract change orders not exceeding \$48,951. (APPROVE)

13. Approve Construction Contract for Fire Alarm System Replacement at Herbert Avenue Senior Housing Development (1)

Recommend that the Board of Commissioners find that the approval of a construction contract for the replacement of the existing fire alarm system at the Herbert Avenue senior housing development is exempt from the provisions of the California Environmental Quality Act (CEQA); authorize the Executive Director to execute a Contract in the amount of \$66,900 with JAM Corporation (Contractor), to complete the fire alarm system replacement at

the Herbert Avenue senior housing development; authorize the Executive Director to use a total of \$66,900 in Capital Fund Program (CFP) funds, for the purposes described above; authorize the Executive Director to approve Contract change orders not to exceed \$16,725 for unforeseen project costs. (APPROVE)

14. Approve Construction Contract for 106th Street Housing Development Drainage Improvements Project (2)

Recommend that the Board of Commissioners find that the approval of a construction contract for drainage improvements at the 106th Street housing development is exempt from the provisions of the California Environmental Quality Act (CEQA); approve and authorize the Executive Director to execute a Contract in the amount of \$68,450 with Belaire-West Landscape, Inc. to complete the site drainage improvements at the subject property; authorize the Executive Director to use a total of \$68,450 in Capital Fund Program (CFP) funds for the purposes described herein; and authorize the Executive Director to approve Contract change orders not exceeding \$13,690 for unforeseen project costs. (APPROVE)

15. Approve Construction Contract for 106th Street Fire Damage Repair & Rehabilitation Project (2)

Recommend that the Board of Commissioners find that the approval of a construction contract for fire damage repair and rehabilitation at the 106th Street housing development is exempt from the provisions of the California Environmental Quality Act (CEQA); approve and authorize the Executive Director to execute a Contract in the amount of \$293,800 with C.A.S. General Contractor, to complete the fire damage repair and rehabilitation at the subject property; authorize the Executive Director to use a total of \$217,982 in Capital Fund Program (CFP) funds; authorize the Executive Director to approve Contract change orders not exceeding \$29,380 for unforeseen project costs. (APPROVE)

16. Approve Purchase of Property Insurance, Excess Workers' Compensation and Excess General and Automobile Liability Insurance for the Housing Authority (All Districts)

Recommend that the Board of Commissioners find that the purchase of property insurance, excess workers' compensation insurance and excess general and automobile liability insurance is not subject to the provisions of the California Environmental Quality Act; approve the combined purchase, with the Community Development Commission, of property insurance, excess workers' compensation insurance and excess general and automobile liability insurance, at a premium cost of approximately \$800,000 for the period from July 1, 2008 to June 30, 2009, through Alliant Insurance Services, Inc. (APPROVE)

17. Housing Commissioners Comments and Recommendations for Future Agenda Items

Housing Commissioners may provide comments or suggestions for future Agenda items.

Copies of the preceding agenda items are on file and are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at the Housing Authority's main office located at 2 Coral Circle in the City of Monterey Park. Access to the agenda and supporting documents is also available on the Housing Authority's website.

Agendas in Braille are available upon request. American Sign Language (ASL) interpreters, or reasonable modifications to Housing Commission meeting policies and/or procedures, to assist members of the disabled community who would like to request a disability-related accommodation in addressing the Commission, are available if requested at least three business days prior to the Board meeting. Later requests will be accommodated to the extent possible. Please contact the Executive Office of the Housing Authority by phone at (323) 838-5051, or by e-mail at marisol.ramirez@lacdc.org, from 8:00 a.m. to 5:00 p.m., Monday through Friday.

THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES

MINUTES FOR THE REGULAR MEETING OF THE

LOS ANGELES COUNTY HOUSING COMMISSION

Wednesday, February 27, 2008

The meeting was convened at the West Knoll Apartments, located at 838 West Knoll Drive, West Hollywood, California.

Digest of the meeting. The Minutes are being reported seriatim. A taped record is on file at the main office of the Housing Authority.

The meeting was called to order by Chair Severyn Aszkenazy at **12:25** p.m.

ROLL CALL

Present

Absent

Severyn Aszkenazy

X

Adriana Martinez

X

Philip Dauk

X

Lynn Caffrey Gabriel

X

Henry Porter, Jr.

X

Alberta Parrish

X

Bertha Scott

X

PARTIAL LIST OF STAFF PRESENT:

Bobbette Glover, Assistant Executive Director

Maria Badrakhan, Director, Housing Management

Arlene Black, Manager, Housing Management

GUESTS PRESENT:

Mr. Robert Fortune, Member of the public

Ms. Rivka Day, Kings Road resident

Ms. Pam Komac, Kings Road resident

Ms. Mary Ann Monier, Kings Road resident

Mr. Keunecke Guenter, West Knoll resident

Reading and Approval of the Minutes of the Previous Meeting

On Motion by Commissioner Porter, seconded by Commissioner Martinez, the Minutes of the Regular Meeting of January 23, 2008 were approved. Commissioner Aszkenazy abstained.

On Motion by Commissioner Porter, seconded by Commissioner Dauk, the Minutes of the Regular Meeting of December 19, 2007 were approved.

Agenda Item No. 4 - Report of the Executive Director

Bobbette Glover reported on the following items:

Three candidates for Tenant Commissioner were recently interviewed, with none being recommended for appointment. The following suggestions were made for recruiting candidates: hold on-site meetings with the resident councils; complete a special mailing to resident council members; and conduct a meeting at the Housing Authority for Section 8 tenants. Commissioner Porter commented that a number of Tenant Commissioner candidates thought they were applying for employment, even though the position flyer states that these are volunteer positions. Commissioner Martinez suggested recruiting in Spanish and other languages. Commissioner Aszkenazy suggested that residents be told in advance that transportation to Housing Commission meetings is provided. Commissioner Porter stated that during the interviews the candidates were advised that transportation is provided.

Ms. Glover reported on the environmental assessment work at Ujima Village. ExxonMobil will fund the total cost of the environmental assessment and the Water Board will oversee the process. The County's Department of Public Health reviewed the work plan to ensure that the information received provides enough data to determine whether there is a health risk to the residents. Testing will begin in April. The Water Board sees this as an urgent matter and has indicated that remediation may necessitate relocation of the residents. Supervisor Burke has committed to a meeting with the residents, at which time the Water Board will discuss its roll and ExxonMobil will provide details on the environmental assessment. Congresswoman Laura Richardson may attend. There are currently 166 occupied units. Staff anticipates that by June more residents will have relocated on their own. Residents are not currently entitled to relocation benefits because they are not required to move; however, relocation may be necessary during the remediation process. Part of the assessment includes the Magic Johnson park area.

Agenda Item No. 5 – Public Comments

Mr. Robert Fortune, a member of the public, stated that he is a homeless veteran and requested housing assistance. Esther Keosababian will provide Mr. Fortune with information about the Public Housing Homeless Veteran Program.

Ms. Rivka Day, Kings Road resident, stated that the residents have no recourse for resolving issues at their development and asked for assistance from the Housing Commissioners. Staff will assist Ms. Day after the meeting.

Ms. Pam Komac, Kings Road resident, raised questions about the processes used to appoint Housing Commissioners and to place items on the Housing Commission agenda. Ms. Glover responded that County Counsel has reviewed the applicable Ordinance and confirmed that the appointment of Housing Commissioners by the Board of Supervisors does not violate state law. Ms. Glover also stated that County Counsel has determined that it is acceptable practice to allow time at Housing Commission meetings for residents and

members of the public to bring issues and concerns to the Housing Commissioners, in lieu of permitting them to place items on the printed agenda.

Mary Ann Monier, Kings Road resident, expressed concerns about residents not receiving duplicate keys. Arlene Black, Manager of the Housing Management Division, stated that the Housing Authority is not required to issue more than one key if only one person is on the lease. Residents that submit a Living Aid Certification or a Reasonable Accommodations request can receive an additional key.

Mr. Keunecke Guenter (Paul), West Knoll resident, spoke about concerns at the West Knoll apartments and stated that he was representing the tenants. A list of his concerns was given to staff. Ms. Glover stated that a response to Mr. Guenter's concerns will be submitted to the Resident Council President. Commissioner Severyn suggested that staff perform a walk through of the site with Mr. Guenter to evaluate the issues first hand. Ms. Glover, suggested that Ms. Keisha Nathaniel, West County Property Manager, assist Mr. Guenter.

Agenda Item No. 6 - Staff Presentations

Marisela Crabbe and Kerrin Cardwell presented the Agency Plan for Fiscal Year 2008-2012 and responded to questions from the Housing Commissioners.

Regular Agenda

On Motion by Commissioner Porter, seconded by Commissioner Dauk, and unanimously carried, the following was approved by the Housing Commission:

APPROVE THE AGENCY PLAN FOR THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES (ALL DISTRICTS) AGENDA ITEM NO. 7

1. Recommend that the Board of Commissioners find that the attached Agency Plan, which consists of the Five-Year Plan for Fiscal Years 2008-2012 and the Annual Plan for Fiscal Year 2008-2009, as described herein, are not subject to the provisions of the California Environmental Quality Act (CEQA), because they will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve the attached Agency Plan, as required by the U.S. Department of Housing and Urban Development (HUD), to update the Housing Authority's program goals, major policies and financial resources, including the Capital Fund Annual Statement and Five-Year Action Plan, the Admissions and Continued Occupancy Policy for the Conventional Public Housing Program, the Public Housing Lease Agreement, and the Section 8 Tenant-Based Program Administrative Plan.

3. Recommend that the Board of Commissioners adopt and instruct the Chair to sign the attached Resolution approving the Agency Plan for submission to HUD, and authorizing the Executive Director of the Housing Authority to take all actions required for implementation of the Agency Plan.
4. Recommend that the Board of Commissioners authorize the Executive Director to execute all documents required to receive approximately \$5,980,536 in Capital Fund Program funds from HUD for resident programs, operating costs, and the rehabilitation of 2,184 housing units at 18 Conventional Public Housing Program developments throughout Los Angeles County, as described in the Agency Plan.
5. Recommend that the Board of Commissioners authorize the Executive Director to incorporate into the Agency Plan all public comments received and approved for inclusion by your Board; and authorize the Executive Director to submit the Agency Plan to HUD by April 17, 2008.

On Motion by Commissioner Martinez, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:

APPROVE THREE ELEVATOR CONSULTING SERVICES AGREEMENTS
FOR ELEVATOR MODERNIZATION AT THREE HOUSING AUTHORITY
SENIOR HOUSING DEVELOPMENTS (2, 3)
AGENDA ITEM NO. 8

1. Recommend that the Board of Commissioners find that the approval of consulting services agreements (Agreements) is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute three separate two-year Agreements in the aggregate amount of \$169,570, in substantially the form of the attached, and all related documents, with IDS Group, Inc. (Consultant), to complete design services for the modernization of a total of eight elevators at the following three senior housing developments: South Bay Gardens located in the unincorporated area of Los Angeles County, Marina Manor I and II located in Marina Del Rey, and Palm Apartments located in West Hollywood, to be effective following execution by all parties.
3. Recommend that the Board of Commissioners authorize the Executive Director to use a maximum aggregate amount of \$169,570 in Capital Fund Program (CFP) funds included in the Housing Authority's approved Fiscal Year 2007-2008 budget, for the purposes described herein.

4. Recommend that the Board of Commissioners authorize the Executive Director to execute amendments to the Agreements, following approval as to form by County Counsel, to extend the time of performance for an additional year, to allow the Consultant to perform construction observation services during the construction phase of the project. Compensation for services for the additional year is included in the aggregate amount of \$169,570.
5. Recommend that the Board of Commissioners authorize the Executive Director to execute change orders to the Agreements, and all related documents, following approval as to form by County Counsel, to increase the Agreements by up to an aggregate amount of \$33,914, for unforeseen project costs, using the same source of funds described above.

On Motion by Commissioner Porter, seconded by Commissioner Scott, and unanimously carried, the following was approved by the Housing Commission:

AUTHORIZE EXECUTIVE DIRECTOR TO REQUEST RENEWAL OF
FUNDING AND EXECUTE TWO HOUSING ASSISTANCE PAYMENTS
CONTRACTS WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT FOR LANCASTER HOMES AND KINGS ROAD SENIOR
HOUSING DEVELOPMENTS (3, 5)
AGENDA ITEM NO. 9

1. Recommend that the Board of Commissioners find that requesting renewal of funding and executing two Housing Assistance Payments (HAP) contracts are not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the actions will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners authorize the Executive Director of the Housing Authority of the County of Los Angeles (Housing Authority) to request renewal of HAP funding and execute two HAP contracts with the U.S. Department of Housing and Urban Development (HUD) to continue the funding of rent subsidies at the Lancaster Homes and Kings Road senior housing developments located in the Cities of Lancaster and West Hollywood, respectively, following approval as to form by County Counsel.
3. Recommend that the Board of Commissioners authorize the Executive Director to execute additional administrative documents as may be necessary for the purposes identified above.

On Motion by Commissioner Dauk, seconded by Commissioner Parrish, and unanimously carried, the following was approved by the Housing Commission:

**APPROVE CONSTRUCTION CONTRACT FOR EXTERIOR IMPROVEMENTS
AT CARMELITOS SENIOR HOUSING DEVELOPMENT (4)
AGENDA ITEM NO. 10**

1. Recommend that the Board of Commissioners find that the approval of a construction contract for exterior improvements at Carmelitos senior housing development is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director of the Housing Authority of the County of Los Angeles to execute a construction contract (Contract) in the amount of \$288,262, in substantially the form of the attached, and all related documents, with DMS Construction, Incorporated (Contractor), to complete exterior improvements at the Carmelitos senior housing development located in the City of Long Beach, effective upon the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval, and execution by all parties.
3. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$288,262 in Capital Fund Program (CFP) funds provided by the U.S. Department of Housing and Urban Development (HUD), for the purposes described above.
4. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not to exceed \$72,066 for unforeseen project costs, using the same source of funds described above.
5. Recommend that the Board of Commissioners authorize the Executive Director to incorporate up to \$360,328 in CFP funds into the Housing Authority's approved Fiscal Year 2007-2008 budget for the purposes described above.

On Motion by Commissioner Martinez, seconded by Commissioner Parrish, and unanimously carried, the following was approved by the Housing Commission:

**APPROVE CONTRACT FOR KITCHEN AND BATHROOM FLOORING
REPLACEMENT AT LANCASTER HOMES SENIOR
HOUSING DEVELOPMENT (5)
AGENDA ITEM NO. 11**

1. Recommend that the Board of Commissioners find that the approval of a construction contract (Contract) for kitchen and bathroom flooring replacement is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director of the Housing Authority of the County of Los Angeles to execute a Contract in the amount of \$60,377, in substantially the form of the attached, and all related documents, with Arbia Investments, Inc., Dba Statewide Floors (Contractor), to provide for sheet vinyl flooring materials and installation services in the kitchen and bathrooms at the Lancaster Homes senior housing development, to be effective following approval as to form by County Counsel and execution by all parties.
3. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$60,377 in funds included in the Housing Authority's approved Fiscal Year 2007-2008 budget, for the purposes described above.
4. Recommend that the Board of Commissioners authorize the Executive Director to execute amendments to the Contract, following approval as to form by County Counsel, to increase the Contract by up to \$10,000, for any unforeseen needed services or materials, using the same source of funds described above.

**Agenda Item No. 12 – Housing Commissioner Comments and
Recommendations for Future Agenda Items**

Ms. Glover provided an update on the Neighborhood Legal Services' Civil Rights lawsuit announcing that the judge decided to bifurcate the Civil Rights and the Housing Authority procedures and hear each separately. The hearing is scheduled for March 20, 2008.

Commissioner Martinez announced that she will not attend the March meeting.

Commissioner Porter thanked staff for providing a copy of the Agency Plan well in advance of the meeting.

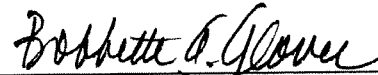
Commissioner Scott regrettably announced that she will be transitioning out of public housing and moving to private housing effective April. Ms. Glover added that Commissioner Parrish will attend the NAHRO Conference in Washington, D.C. in Commissioner Scott's place.

Commissioner Aszkenazy announced that the City of Santa Monica is eliminating paper and plastic bags from their grocery stores. He recommended that bags be provided to housing residents effected by the date of the change.

Effect

Commissioner Porter adjourned the Regular Meeting of February 27, 2008, at 2:14 p.m.

Respectfully submitted,


for CARLOS JACKSON
Secretary – Treasurer

FOR YOUR INFORMATION

Housing Authority - County of Los Angeles

April 17, 2008

FOR YOUR INFORMATION ONLY

To: Each Supervisor
From: Carlos Jackson, Executive Director

SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

On March 13, 2007 your Board instructed me to report monthly on our progress to remove the Section 8 program from its Troubled status under the Section 8 Management Assessment Program (SEMAP). This report covers the period between March 18, 2008 and April 16, 2008, and provides information on the following:

- Lease-up
- Annual Reexaminations
- Inspections
- Corrective Action Plan
- Socialserve.com
- Call Center
- The HUD OIG Audit Report
- The Confirmatory Review
- The OIG Joint Audit for the City and County of Los Angeles
- YARDI Status Update

Lease-up

As of April 1, 2008, our lease-up rate was 95.8%, representing a total of 19,883 assisted families throughout the County. We are planning, in the immediate future, to begin processing applications that were placed on hold in January. Additionally, we will begin pulling names from the wait list on July 1, 2008. Details of this will be provided to your office in a separate memorandum.

Annual Re-examinations and Inspections

We are currently at a 0% delinquency rate for our annual reexaminations, and at a 2% delinquency rate for our inspections. This is not only an improvement from our previous report, but qualifies us for the maximum points under SEMAP.

Corrective Action Plan

As I previously reported to you on March 21, 2008, the Los Angeles area HUD office cannot issue a formal response until all Board members have completed their training.

Socialserve.com

Socialserve.com continues to play a crucial role connecting our voucher holders with our participating landlords. For a 28-day period between March 18 and April 15, 2008, Socialserve.com averaged 4,230 total listings, 2,958 participating landlords, and 110,119 housing searches.

Call Center

Our Call Center is currently averaging approximately 4,240 calls per week, with an actual total of 16,960 for the period between March 17, 2008 and April 15, 2008. For your information, the average wait time for the stated period was 1 minute, 49 seconds.

The HUD OIG Audit

We submitted our formal response to the HUD OIG audit on March 22, 2008. Additionally, we have contracted with the Bronner Group to conduct an independent review of the YARDI system to assure proper implementation and data transfer.

HACoLA is currently recruiting for the Division director position. The position was advertised in major housing authority journals, with an application deadline of April 18th.

Confirmatory Review

We still have not received notification from HUD of when their confirmatory review of our SEMAP certification for the fiscal year ending June 30, 2007, submitted on August 6, 2007, will occur.

OIG Joint Audit of the City and County of Los Angeles

The on-site review of HACoLA's files has been completed. The exit conference and report are pending until completion of the on-site review at HACLA.

YARDI Status

On March 24, 2008, I approved a recommendation made by the YARDI project management team to extend the YARDI "go-live" date to July 1, 2008.

The decision to do this was motivated by competing priorities within the Assisted Housing Division. The months of April and May are key to Section 8 Management Assessment Program (SEMAP) production for fiscal year ending June 30, 2008.

Due to the fact that what remains to be completed on the YARDI project is the staff comprehensive training and conversion of data from the old to the new system, I

Each Supervisor
April 17, 2008
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did not want to jeopardize the production of new contracts and annual reexaminations, which must be completed and submitted to HUD by June 1.

The Bronner Group, currently conducting an independent review of the YARDI implementation, concurred with this decision.

Please contact me if you have any questions or need additional information.

CJ:LO

c: Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk, Board of Supervisors
Los Angeles County Housing Commissioners
Each Deputy



Carlos Jackson
Executive Director

**HOUSING AUTHORITY
of the County of Los Angeles**

ASSISTED HOUSING DIVISION

12131 Telegraph Road • Santa Fe Springs, CA 90670
Tel: 562.347.4663 • TDD: 562.906.4928 • www.hacola.org



Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

April 15, 2008

FOR YOUR INFORMATION ONLY

Ms. KJ Brockington, Director
Office of Public Housing
U.S. Department of Housing
And Urban Development
Los Angeles Field Office, Region IX
611 West 6th Street, Suite 1040
Los Angeles, CA 90017-3101

SUBJECT: THE FAMILY SELF-SUFFICIENCY (FSS) PROGRAM

Dear Ms. Brockington:

The Family Self-Sufficiency (FSS) Program is a HUD initiative intended to promote the development of local strategies to enable families both in public housing and the Housing Choice Voucher Program to achieve economic independence and self-sufficiency.

This report has previously been provided to the Housing Authority of the County of Los Angeles Housing Commissioners on a monthly basis. This report is now being provided to the HUD local field office and the Los Angeles County Board of supervisors to keep all concerned parties abreast of the continuous efforts and accomplishments associated with this worthwhile program as part of the Corrective Action Plan.

FSS Program Update for March

- The Family Self Sufficiency staff continued its ongoing recruitment efforts, with a total of 36 new applicants, 34 of whom were eligible for the Family Self Sufficiency Program.
- Staff enrolled 35 new participants.
- Received 9 requests to graduate from the Family Self Sufficiency program.
- Conducted 4 recruitment workshops for interested families.
- Conducted 1 "Participant Orientation" workshop.
- Conducted 1 "Money Smart", FDIC informational workshop/training.
- Staff assisted participants in internet access, computer job search, and CalJOBS registration.



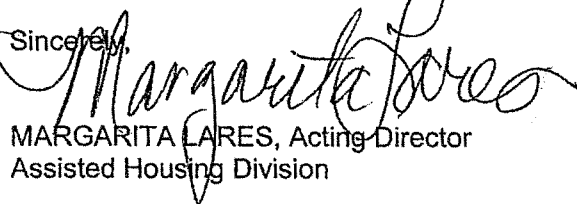
- Resource information on the WorkSource Network, Volunteer Income Tax Assistance Program, FSS workshops, Adult Education, Healthy Families Insurance program.
- California Low Cost Auto Insurance Program, Scholarship programs and Job Fair information were disseminated during recruitment and case management activities.
- Staff referred 23 FSS applicants to WorkSource Centers resource for job search assistance and 1 FSS participant for job search and resume writing and review assistance.
- Issued 6 Credit Repair packets to FSS applicants and 1 packet to an existing FSS participant during the month of March.
- Issued 1 Identity Protection packet to a FSS participant.
- Communicated with and assisted over 300 FSS participants and applicants with general Housing Choice Voucher questions, FSS Program queries, issues and supportive services information.
- Resource information for employment opportunities, budgeting, money saving tips and homeownership workshops were disseminated to 73 FSS participants and applicants during March appointments.
- Referred 1 Section 8 tenant to Operation Hope Home Ownership Program.
- Referred 12 FSS participants to the CDC Home Ownership Program (HOP).
- The FSS Program staff conducted one graduation ceremony, graduating 17 successful participants before an audience of family members, guests and Assisted Housing staff. A second, individual graduation was conducted at the Money Smart workshop.
- In March, escrow funds of \$178,400.21 in Family Self Sufficiency were disbursed to graduates.

Graduates

During the month of March, there were 18 graduates from the Family Self Sufficiency's Housing Choice Voucher Program. The total number of graduates to date is 207.

If you have any further questions, please feel free to contact me at (562) 347-4837.

Sincerely,



MARGARITA LARES, Acting Director
Assisted Housing Division

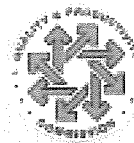
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c: Board of Supervisors
Housing Commissioners

FOR YOUR INFORMATION ONLY



**SAVE THE DATE:
MAY 21, 2008**



Quality and Productivity Commission

For Commission, Committees & Advisory Board Officers
Department Heads and Productivity Managers

THE MUSIC CENTER

135 North Grand Avenue, 5th Floor
Los Angeles, CA 90012

Wednesday, May 21, 2008

8:30 a.m. – 2:00 p.m.

Invitation and more information to follow

**"ACHIEVING
IN AN**

...

TOMORROW"

NEWS ARTICLES

The House bill also provides a limited waiver of the requirement.

PUBLIC HOUSING

UN Officials Say African-Americans Face Hardship from New Orleans Plans; HUD Disputes Charges

Two United Nations officials involved in housing and minority issues have charged that plans to redevelop New Orleans public housing could impose further hardships on thousands of African-American families already suffering from the effects of Hurricane Katrina.

HUD issued a statement disputing the charges.

"We are deeply concerned about information we continue to receive about the housing situation of people in New Orleans, Louisiana, and the Gulf Coast region," said Miloon Kothari, the UN special rapporteur on adequate housing as a component of the right to an adequate standard of living, and Gay McDougall, the UN independent expert on minority issues.

Impact on Displaced Families

In their statement, Kothari and McDougall cited reports that the decisions taken by HUD and local government would result in the demolition of thousands of public housing units affecting about 5,000 families who were displaced by Katrina.

"While we understand the intention to replace the demolished housing, we understand that only a portion of the new housing units will be for residents in need of subsidized housing and the remainder will be offered at the market rate," the UN officials said.

Moreover, they added, because of the delays in providing new housing and the lack of one-for-one replacement for the demolished units, thousands of African-Americans could be effectively denied their right to return to their pre-hurricane housing.

Although the demolition of public housing may not be intentionally discriminatory, the officials said, "the lack of consultation with those affected and the disproportionate impact on poorer and predominantly African-American residents and former residents would result in the denial of internationally recognized human rights."

HUD Statement

In response, HUD issued a statement asserting that the UN officials "are misinformed about the state of public housing in New Orleans. The charge that the federal government has not consulted with the local community during the development process is untrue."

HUD said the goal is to improve the living standards of low-income and minority residents in New Orleans.

"Residents deserve something better than what they had," the department said. "Instead of letting public housing turn into downtrodden and unsafe housing for minority and low-income Americans, people should live in a socially and economically integrated environment where their children can play safely and families can thrive."

Under the New Orleans redevelopment plans, HUD said, 5,108 affordable low-income units will be built and 3,000 new Section 8 vouchers will be provided, an aggregate increase of over 3,000 assisted families compared with pre-Katrina levels.

ASSISTED HOUSING

* Cumulative 24-Month Limit Set On HIV/AIDS Housing Assistance

The Health Resources and Services Administration (HRSA) has issued a final notice setting a cumulative 24-month limit on short-term and emergency housing assistance for HIV-infected persons and families under the Ryan White HIV/AIDS program.

HRSA HIV/AIDS Bureau (HAB) Policy Notice 99-2, Amendment 1, was published in the February 26 Federal Register and goes into effect on March 27.

The notice isn't retroactive, so for both new and current program participants, the 24-month limit on housing assistance applies only to assistance received on or after March 27.

Action Criticized

Although HRSA dropped the retroactive provision in the proposed notice published in December 2006, the National AIDS Housing Coalition still objected strongly to the final notice in a March 3 letter to Health and Human Services Secretary Mike Leavitt.

"At this point in time, with daily evidence of a downwardly spiraling economy, low or no available affordable housing in most of the country, and powerful evidence-based data connecting stable housing to positive individual and community health outcomes, we oppose the housing policy as, at best, short-sighted and, at worst, mean-spirited," says the letter from Nancy Bernstine, coalition executive director.

In addition to the substantive problems with the notice, Bernstine said, as a practical matter, it can't be implemented by the effective date.

"Currently, HRSA has no name or code-based data system allowing the tracking of clients from jurisdiction to jurisdiction," the letter says. "Moreover, most jurisdictions don't have the ability to track subgrantee to subgrantee. Thus, the baseline criteria to track clients across jurisdictions and grantees simply do not exist and are not paid for by HRSA."

SECTION 8

* Guidance Provided on Exception Payment Standards as Reasonable Accommodation for Disability

HUD has provided guidance on the review and approval of exception payment standards under the Section 8 voucher program as a reasonable accommodation for a family with a disabled person.

The treatment of such cases is explained in Notice PIH 2008-13 (HA), issued on March 10.

On a case-by-case basis, a PHA may approve a payment standard up to 110 percent of fair market rent (FMR) as a reasonable accommodation if its regular payment standard is below that level.

The higher payment standard must be requested by the family and, if necessary, approved by the PHA after the family locates a unit.

The field office can approve a payment standard up to 120 percent of FMR, and HUD headquarters must allow the PHA to approve a payment standard above 120 percent of FMR if necessary as a reasonable accommodation.

Calculation of Payment Standard

In determining the need for a higher payment standard, the fact that the family's initial rent contribution is limited to 40 percent of adjusted income is taken into account.

Specifically, 10 percent of adjusted income (the difference between the maximum tenant contribution and the 30 percent of adjusted income used in determining the voucher assistance) is subtracted from the gross rent. The resulting adjusted gross rent is divided by the FMR to calculate the increase in the payment standard needed to hold the tenant's payment to 40 percent of adjusted income.

To facilitate the review for a payment standard increase as a reasonable accommodation, the PHA should include in its request a statement from a health care provider on the nature of the disabled person's disability and unit features needed to accommodate that disability, the contract rent and utilities for the unit, a statement that the unit has the required features and the rent is reasonable, the household's monthly adjusted income, the FMR for the unit size for which the family is eligible, and the effective date of the lease or lease renewal.

TAXATION

Property Obtained by Acquiring 100 Percent of Partnership Interests Can Qualify for Like-Kind Exchange

A taxpayer may defer gain on property relinquished in a like-kind exchange if it acquires 100 percent of the interests of the partners in the partnership which owns the replacement property, according to an Internal Revenue Service private letter ruling. (PLR 200807005, 2008 WL 401725 (IRS PLR), issued November 9, 2007, and released February 15, 2008)

The ruling also says that the taxpayer can hold the replacement property in a partnership that will be disregarded for federal income tax purposes.

Section 1031(a)(2)(D) specifically excludes any exchange of partnership interests from deferral of gain or loss.

However, under Rev. Rul. 99-6, 1999-1 C.B. 432, when the two partners in a partnership sold their entire interests to an unrelated person, the partnership was deemed to be terminated, with its assets distributed to the part-

ners, and the purchaser was deemed to have acquired those assets.

Similarly, the private letter ruling says, in this transaction, the taxpayer is deemed to have acquired the real property assets of the partnership, rather than the partners' partnership interests, and the transaction will qualify as a Section 1031 like-kind exchange. Accordingly, the taxpayer may defer gain on the sale of the relinquished property.

Replacement Property

The taxpayer plans to create a limited liability company (LLC), and the taxpayer and LLC will become the new limited partner and general partner, respectively, in the selling partnership, which will continue to operate as a partnership under state law. The LLC will be a disregarded entity for federal tax purposes.

In also ruling that the taxpayer can hold the replacement property in the partnership, the IRS cited Rev. Rul. 2004-77, 2004-2 C.B. 119, in which a disregarded LLC and its sole owner are the only partners in a state-law limited partnership. Because the LLC is disregarded, its owner is treated as owning all of the partnership interests. Since the partnership has only one owner, it cannot be classified as a partnership under federal law and must either be disregarded or be classified as an association taxable as a corporation.

In this case, since the LLC is disregarded as a separate entity, the taxpayer is treated as owning all of the interests in the partnership, which would be treated as a domestic entity with only one owner for federal tax purposes. Since the partnership will not make an election to be treated as an association taxable as a corporation, it will be disregarded as a separate entity for federal tax purposes, and the taxpayer would be considered the owner of the replacement property.

Accordingly, the ruling says, the replacement property can be held in the partnership without violating the Section 1031 requirement that both the relinquished property and replacement property must be held by the taxpayer in a trade or business or for investment.

PUBLIC HOUSING

New York City Housing Authority Trims Workforce to Balance Budget

The New York City Housing Authority (NYCHA) on February 29 announced additional workforce reductions which will result in the elimination of 427 positions, including 190 employee layoffs. The scheduled layoffs, which will take place in mid-April, are part of a continued budget balancing strategy.

The action is part of the plan in NYCHA's 2007 budget to reduce its workforce by 500 positions to just over 9,000 positions. NYCHA eliminated 73 management positions in October 2007, and it has cut 2,000 positions since 2003.

NYCHA said that federal underfunding of public housing coupled with unreimbursed costs for 21 city and state developments, community services, and rising labor and

March 20, 2008

* HUD Clarifies Payment Standard For Disabled

A HUD notice, PIH 2008-13, released March 10 seeks to clarify the calculation of the payment standard and the type of supporting documentation that should be included in a waiver request for those families with a disabled member seeking reasonable accommodations.

On a case-by-case basis, as a reasonable accommodation, a PHA may approve a payment standard up to 110 percent of the FMR if its payment standards are set below 110 percent of the FMR in accordance with regulations. Such higher payment standards must be requested by the family and subsequently approved, as necessary, by the PHA after a family with a disabled person or an individual person with disabilities locates a unit.

The HUD Field Office Public Housing Director can approve exception payment standards above 110 percent to 120 percent of the FMR as a reasonable accommodation.

Inquiries about this notice letter should also be directed Ms. Phyllis Smelkinson, Housing Voucher Management and Operations Division, Office of Public Housing and Voucher Programs, at (202) 402-4138, or Phyllis.A.Smelkinson@hud.gov. ■

* Wide Range of Issues Considered At CLPHA Spring Meeting

CLPHA members met with House Financial Services Committee Chairman Barney Frank (D-MA) a day after the key lawmaker offered a plan to deal with the subprime mortgage crisis. PHAs, Frank told the Capitol Hill gathering, can play a role in ameliorating some of the worst affects of the crisis and help preserve neighborhoods threatened by foreclosures.

Frank's comments came on the second day of CLPHA's spring meeting. Dozens of executive directors and their deputies met in Washington March 13-14 to share best practices and gather the latest information on the range of issues currently confronting the nation's public housing managers: reauthorization of the HOPE VI program, passage of the Section Eight Voucher Reform Act (SEVRA), HUD's push for 10-year Moving to Work agreement, and implementation of asset management among them.

Of the latter, Frank said his committee will reconsider legislation related to asset management that was pulled from the House Floor last month. The bill, H.R. 3521, was withdrawn amidst much parliamentary maneuvering after the bill's opponents offered an initiative that would prohibit PHAs from using lease provisions to restrict gun ownership by public housing residents. "I think it's a mistake to lose the whole bill over that," Frank told CLPHA members.

(Continued on p. 2)

'Volatile' Markets Have Negative Impact on PHA Development Plans

Most anything "that has the housing tag on it," such as mortgage revenue bonds and low-income housing tax credits, is considered suspect in the financial markets in wake of the subprime housing crisis, Catherine Pharis of Deutsche Bank Berkshire Mortgage said in a March 13 presentation at the CLPHA spring meeting.

Volatility and uncertainty are the hallmarks of the current market, said Pharis, with even government-backed bonds suffering from a lack of buyers.

Judith Kennedy, President and CEO of the National Association of Affordable Housing Lenders, shared Pharis' pessimistic appraisal. "This is the lowest point for private capital in affordable housing in 10 years," she said. The implications for PHAs and affordable housing development generally are significant, the two housing finance experts agreed. Among the hallmarks of the current environment:

► A lack of liquidity combined with financial losses which has dried up

(Continued on p. 5)

* HUD and Justice Issue Guidance On Fair Housing Act 'Reasonable Modifications'

New guidance released March 5 by the Departments of Housing and Urban Development (HUD) and Justice (DOJ) reinforced the right of persons with disabilities to make "reasonable modifications" to their dwellings if a structural change to their dwelling or to a common area of the building or complex in which they live is needed so that they can fully enjoy the premises.

The guidance is designed to help housing providers and homeowners' associations better understand their obligations and help persons with disabilities better understand their rights regarding the "reasonable modifications" provision of the federal Fair Housing Act (FHA).

One type of discrimination prohibited by the FHA is the refusal by housing providers or homeowner associations to permit a reasonable modification – i.e., a structural alteration – of existing premises, occupied or to be occupied by a person with a disability, when the modification may be necessary to afford the person full enjoyment of the premises.

Although the housing provider or homeowner association must permit the modification, the tenant (or prospective tenant) is responsible for paying the cost of the modification. Examples of reasonable modifications include widening doorways to make rooms more accessible to persons who use wheelchairs or installing a ramp to provide access to a public or common use area, such as a clubhouse.

The new guidelines, issued in the form of questions and answers, cover such topics as:

- ▶ What is a reasonable modification?
- ▶ Who must comply with the reasonable modification requirement?
- ▶ Who is responsible for expenses

associated with the upkeep of a reasonable modification?

▶ When and how should an individual request permission to make a modification?

▶ What types of documents and assurances may a housing provider require regarding the modification before granting the modification?

▶ What procedures are available to a person wishing to challenge a denial of a requested modification?■

* HUD Hearing Held

HUD Secretary Alphonso Jackson defended HUD's budget proposal before the Senate Appropriations Transportation and Housing and Urban Development subcommittee March 13.

"In the last seven years" under both Republican and Democrat lead-

ership, said Subcommittee Chair Patty Murray, "this Subcommittee has consistently had to rewrite the HUD budget to ensure that critical programs serving our citizens and communities are not slashed or dismantled." This, she continued, "is an example of this Administration's lack of dedication to helping low-income and working families – and its failure to invest in our communities."

The HUD budget proposal, said Jackson, "is fiscally sound, supports our mission, and fits in well with the overall vision for the President's entire fiscal year request."

Much of the hearing was focused on what Murray termed "questions regarding [Jackson's] conduct as Secretary, how he has administered funds ... and how he has interacted with other HUD staff." Jackson generally avoided answering those questions, citing ongoing investigations into the alleged irregularities.■



Rep. Mel Watt (D-NC) discussed the difficult times facing the housing industry March 14 at CLPHA's spring meeting, but said that some good, such as renewed regulatory oversight, can come out of the subprime crisis. Watt, left, is pictured with CLPHA executive director Sunia Zaterman and Charles Woodyard, executive director of the Charlotte Housing Authority.

Wide Range of Issues Considered At CLPHA Spring Meeting

(Continued from p. 1)

Instead, he said, the committee will accept the language on guns, but add provisions to the bill to reauthorize the Public Housing Drug Elimination Program (PHDEP) and allow PHAs to waive resident community service requirements in many cases. CLPHA, following a survey of its members, continues to back the asset management legislation.

But it was the specter of the declining general housing market, and the challenges and opportunities that the situation presents for PHAs, which became a focus of both the formal meeting discussions and hotel lobby chatter.

Frank spoke to root causes. Over the past several years, he said, some people were "pushed into homeownership" while the rental component of a balanced housing supply was neglected. "We're not doing anybody a favor by placing them into a home they cannot afford," he told CLPHA members.

Frank's proposal, announced March 13, would provide \$10 billion in loans and grants for the purchase and rehabilitation of vacant, foreclosed homes with the goal of occupying them as soon as possible. Each state's loan and grant authority would be based on the state's percentage of nationwide foreclosures adjusted to account for the state's median home price. States would allocate funds to government entities such as housing authorities, as well as nonprofits and private-sector entities, for the purchase and resale of homeownership housing. However, only government entities and nonprofits would receive funds for rental housing developments.

The plan's most ambitious and controversial element would permit FHA to provide up to \$300 billion in new guarantees that would help to

refinance at-risk borrowers into viable mortgages. In exchange for the acceptance of a substantial write-down of principal, the existing lender or mortgage holder would receive a short payment from the proceeds of a new FHA loan if the restructured loan would result in terms that the borrower can reasonably be expected to pay. The existing lender or mortgage holder would have a cash payment and no further credit exposure to the borrower. This could potentially refinance between 1 and 2 million loans and help these families stay in their homes, according to Frank.

HOPE VI

Meanwhile, the CLPHA membership focused on more traditional areas of PHA concern, most notably the prospects of reauthorizing a HOPE VI program that, in the version passed by the House, contains controversial provisions related to one-for-one replacement require-

ments for demolished units and rules for returning residents. Some CLPHA members expressed concern that the legislation's "process requirements" could add substantially to the cost of redevelopment. The Senate has yet to consider a HOPE VI reauthorization bill, though one has been offered by Sens. Barbara Mikulski (D-MD) and Mel Martinez (R-FL).

Rep. Mel Watt (D-NC), Chairman of the House Financial Services Subcommittee on Oversight and Investigations and a strong supporter of the HOPE VI program, told CLPHA meeting attendees that PHAs with outstanding HOPE VI grants who have not allocated those dollars should face a recapture of those funds.

The nine-term representative expressed his support for the work the Charlotte, NC Housing Authority has undertaken in his home city. Watt noted his appreciation for the local conditions that shape the effectiveness of Federal housing programs,

(Continued on p. 4)



Baltimore Housing Authority Executive Director Paul Graziano makes a point at the Spring CLPHA meeting.

Wide Range of Issues Considered At CLPHA Spring Meeting

(Continued from p. 2)

saying that, for example, the Section 8 program is more effective in meeting the needs of his constituents in some parts of his congressional district than in others. He urged PHAs to take advantage of "the window of opportunity" created by the subprime crisis, particularly as it relates to the purchase of foreclosed properties, even as the prospect of appropriations that correspond with actual needs are not likely in the short term.

"Keep up the good work," Watt told the CLPHA members as he concluded his remarks.

Congressional Staff Speak

Staff members from the Senate and House — William Simpson of the Senate Appropriations Subcommittee on Transportation Housing and Urban Development (THUD), Laura Hogshead of the House Appropriations Subcommittee on THUD, Jenn Fogel-Bublick, counsel to the Senate Banking Committee, and House Financial Services Committee Counsel Dominique McCoy — provided an up-to-the-minute review of key legislative issues to the CLPHA membership.

"If we can get to markup [in the Senate Banking Committee]," said Fogel Bublick, it is likely that language adding the Housing Innovation Program (HIP) to the Senate SEVRA bill will be added in committee.

Simpson and Hogshead indicated support for PHA funding priorities from their subcommittee chairs — Sen. Patty Murray (D-WA) and Rep. John Olver (D-MA) — but said that the current budget environment will likely preclude large funding increases.

McCoy noted the House Finan-

cial Services Committee's ambitious housing agenda over the past year, including passage of a HOPE VI reauthorization bill and SEVRA, and said the House will reconsider asset management legislation when it returns from its Easter recess.

HUD Panel Presentation

In a panel presentation led by Paula Blunt, General Deputy Assistant Secretary for Public Housing Initiatives, HUD staff reported that:

- ▶ Some PHAs that have remaining HOPE VI funds from 2002 and before must expend those dollars by the end of this fiscal year, September 30, 2008.

- ▶ A Federal Register notice will be published in which HUD will provide detail on its plan to implement provisions of the FY 08 appropriations bill allowing PHAs to use up to twenty percent of their capital funding for central office costs.

- ▶ A study on rent simplification is underway (*CWR*, March 12) and a study on the capital needs backlog in public housing will begin next month.

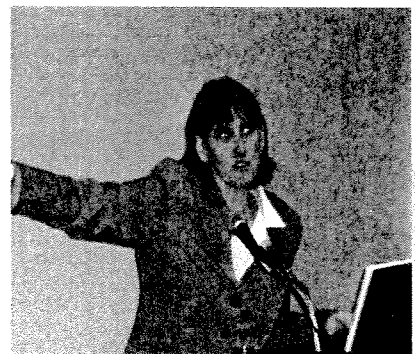
- ▶ The Department will publish proposed rules related to Section 8 streamlining this year and a proposed rule on the new Public Housing Assessment System (PHAS) is "in the pipeline."

- ▶ There will be Capital Fund bonuses of five percent this year for high-performing PHAs. The bonuses will be based on 2006 PHAS scores, said Dominique Blom, Deputy Assistant Secretary for Public Housing Initiatives.

Blunt, a former PHA staff member, emphasized her support for the

work PHAs do and pledged cooperation with PHAs. Blom urged MTW agencies to submit their standard agreements to HUD by the end of April.

Meanwhile, said HUD staff, 141 agencies submitted stop-loss applications under the new Operating Fund formula by the April 2007 deadline and 84 PHAs passed in that round. More than 300 applications were submitted by the Oct. 2007 deadline and are currently under review. The most common reason for failing to meet the stop-loss criteria was "project management." ■



Julia Isaacs (above), Child and Family Policy Fellow at the Brookings Institution, presented findings demonstrating the economic mobility in the US is less than that which exists in many European countries. A report on her findings can be found at <http://www.brookings.edu/experts/isaacsj.aspx>.

Reminder

The CLPHA summer executive directors meeting will take place June 18-20 at the Grand Hyatt Seattle, 721 Pine Street, Seattle, Washington. A registration form will be e-mailed to CLPHA members this week. For hotel reservations, call (206) 774-6300. ■

Residents say they bought phony vouchers

By MARISELA SANTANA, Staff Writer

About 250 people apparently paid between \$950 and \$1,500 for fraudulent Section 8 housing vouchers through people they said were affiliated with the World Literacy Crusade.

COMPTON — Deputies from the Compton Sheriff's Station were called to the World Literacy Crusade International headquarters late Monday afternoon where about 100 people gathered to protest fraudulent Section 8 vouchers they said they were sold for between \$950 and \$1,500 apiece.

Founded by former Lynwood City Councilman Alfreddie Johnson Jr., the World Literacy Crusade is a nonprofit grassroots literacy movement formed in 1992.

According to a sheriff's deputy who spoke to the crowd using a bullhorn, the people selling the fraudulent vouchers were not employees of the World Literacy Crusade.

The deputy told protestors the World Literacy Crusade was also a victim of the alleged fraud.

Hanan Islam, the crusade's executive director, had to be escorted into the building at 3209 N. Alameda St. by deputies after a verbal confrontation with several of the angry protesters.

While the details of the scam and how it was played out are still sketchy, it appears that Islam, who refused to speak to a reporter, was only serving as a subcontractor for other individuals.

Islam told several people in the crowd that she didn't know the vouchers were phony. She also said she could not return their money, even though she personally wrote receipts to some of the 250 people who apparently bought into the scam. Some said that Islam told them to call the Long Beach Housing Authority or the Los Angeles County Housing Authority.

By about 6 p.m., the crowd, which was called a "mob" by one deputy, had dwindled to about 50 people, most of whom were women.

One of the apparent victims, Desiree Blount, said she hadn't been associated with the World Literacy Crusade for more than a year, but she couldn't help but be excited about an offer to buy a Section 8 voucher for \$950 when she was called two weeks ago by someone she said was from the crusade.

"They told me it was like a deposit we'd be making for a Section 8 voucher," Blount said. "They said come down with the money, it's a legitimate voucher. A lot of us trusted their word, because they've helped our children with tutoring, and they even have church here on Sundays."

Little did Blount or the other victims, know that the vouchers were phony. Most found out on March 14, when landlords tried to contact the crusade.

"Hanan is telling us that she doesn't know where the money is," another victim, Juanita Heath, said. "[But] she should know. I put my money in her hand. Before they took our money, they should have done their research into those vouchers."

Most in the crowd had the same voucher they received upon payment, which was signed by someone named Barbara Jones. They also had a receipt with the amount that was paid. Some said \$950, other said \$1,250. One man said he paid \$1,500.

By Tuesday morning, Deborah Scott, a public liaison for the county Housing Authority, had heard of the fraudulent vouchers and said it was unfortunate that this was happening to people.

But Bobbette Glover, assistant executive director of the county Community Development Commission, said there was nothing the county could do to help the people.

Glover said vouchers for Section 8 are not sold and that their sale is a clear violation of federal regulations.

"It is illegal to sell Section 8 vouchers," Glover said. "They are not available for sale. To get them, one has to be on a waiting list, one has to qualify. If people did pay for vouchers, it's unfortunate, because there is no fee for Section 8 vouchers. If they paid, I'm very sorry that they did that because it doesn't get them a voucher. It's very unfortunate [that] people were put in that position."

Glover said it was apparent to her that the people were "taken advantage of."

Heath and the rest of the crowd said they would have liked for Islam to give them an explanation of what was going on, where their money was and what she and the crusade would do to get their money back.

"A lot of us gave our last month's notice," Heath said. "We gave our rent money to get these vouchers. Some of us are going to be homeless because of this scam."

"People are stuck out in the cold," Ruby Allen. "They didn't do this to rich people. They did this to poor people. People borrowed money, people didn't pay rent, they didn't buy food, they walked to work to get this money together, and this is what we get. It's horrible what they've done to us. Some of us now have nowhere to go. We're going to be homeless."

"People even sold their cars to come up with the money," Shonda Taylor said.

Deneitra Hobart said one of the deputies told her "she should have known better" than to pay cash for a Section 8 voucher.

"We didn't know. Why would we know?" she said. "All we know is that a voucher would help us have better homes. I've never had my own place, but I thought I was going to get one."

Hobart and the rest of the crowd said they paid cash, because the people selling the vouchers were not accepting checks or money orders. "They wanted cash," Hobart said.

Deidra Rupert paid \$950 for her voucher.

"I don't think it matters that these people all of the sudden don't work here," Rupert said. "Someone needs to be accountable. Someone needs to give us our money back. The World Literacy Crusade was speaking on their behalf. They even had a workshop before we signed and paid to tell us that the program was legit. They are not the victims, they should be arrested."

The city of Compton's Housing Authority had not heard about the phony vouchers until contacted by a reporter.

Letitia Booker, assistant to Harriet Robinson, the director there, said she hasn't heard anything about phony Section 8 vouchers.

The county's Glover said to get an official Section 8 voucher, people will have to apply to their own respective housing authority and add their names onto waiting lists like everybody else.

"They told us over and over that this was not a scam," Rupert said. "One thing is for sure, it is a learning experience. We don't have money to give away like that. That money came out of my kid's pockets, from the food on their table, off their backs, and now we don't have anywhere to stay. I've already given my 30-day notice and I've paid \$25 here, and \$25 there for credit checks when I was looking for a place. Well, now I found one, and they approved me, but now there's no Section 8 voucher. How can anyone do this to people?"

The people remaining outside the World Literacy Crusade Monday at 6:30 p.m. were asked to line up between the rows of parked cars to receive their criminal report number and told they would be contacted by a detective.

After that, the deputy over the bullhorn told the crowd, "you guys can get in your vehicles and leave and file a complaint with the Housing Authority if you wish. ... That's going to be something between you and them."

Housing Affairs Letter Stories posted week of 3/22/08 - 3/28/08

Fair Housing Chief Under Scrutiny

Kim Kendrick is on the hot seat at HUD these days, following email disclosures that she was an instigator in a department effort to sabotage federal subsidies for the Philadelphia Housing Authority (PHA).

Sources tell *HAL* that HUD executives are in a quandary over how to handle the flap. Kendrick has been asst. secy. of the Office of Fair Housing & Equal Opportunity since October 2005 and has acquired a reputation as a dogged pursuer of fair housing complaint settlements.

Kendrick, a Jackson friend and appointee whose office monitors housing for the disabled, declared PHA in violation of disabled-accessible housing after PHA Executive Director Carl Greene refused to sell a piece of valuable authority land at a discount to a Jackson friend.

Early in 2007, Kendrick exchanges emails with then Asst. Secy. for Public & Indian Housing Orlando Cabrera outlining a plan to penalize PHA, using the disabled housing declaration as an excuse.

"Would you like me to make his life less happy? If so, how?" Cabrera wrote.

Take away all of his Federal dollars?" Kendrick replied.

It was Kendrick's use of a smiley face, (-D, at the end of the email that has HUD executives particularly riled. Some call it the height of unprofessionalism.

"Let me look into that possibility," Cabrera replied.

Subsequently, Cabrera put into motion the plan that would strip PHA of up to \$50 million or a tenth of its annual budget, a move Greene labels retribution.

Sources tell *HAL* more damaging emails are in the offing.

Meanwhile, Kendrick likely will retain her post for the time being, unless she decides to step down on her own.

Jackson makes his backing of Kendrick clear in a letter to Sen. Arlen Specter (R-PA).

"I do not know that any action needs to be taken about the emails," Jackson tells Specter, adding he had no knowledge of the missives until recently.

03/28/2008 11:05 AM

HUD Portraits Remain Closeted

Connecticut artist Daniel Duffy thought his portraits of four past HUD secretaries would be removed from a small HUD closet hung in the department's new \$7 million cafeteria on Wednesday.

March 26 came and passed and the portraits, which HUD demanded post haste completion last September, remain boxed.

The portrait of HUD Secy. Alphonso Jackson will remain secluded until the secretary leaves office. But the portraits, at \$20,000 each, of former secretaries Mel Martinez, Andrew Cuomo, Jack Kemp and Henry Cisneros will adorn the cafeteria (cafeteria/auditorium) walls competing for space with several large television screens and other high-tech items.

There likely will be no fanfare surrounding the unveiling of the portraits. HUD had planned a special event attracting past secretaries and the artist, but present controversies swirling around Jackson and the criticism he took for commissioning the \$100,000 contract during a cash shortage preclude any fanfare.

03/28/2008 11:08 AM

Jackson Weighs Options

In the week since two key congressional Democrats called for his removal from office (*HAL*, Issue 08-12), HUD Secy. Alphonso Jackson has remained secluded, deciding his next course of action.

One thing is certain; Jackson has President Bush's support, although the power behind the backing is seen as less than unqualified.

Early on, when it first was disclosed that the secretary was under a four-pronged investigation into his official action—Justice Dept., FBI, federal grand jury and

HUD inspector general—Bush appeared with Jackson to lend unconditional support to his long-time friend, neighbor and golfing buddy.

This time, following Jackson's muddling of congressional questioning about his influence in a Philadelphia Housing Authority (PHA) flap (*see related story in this issue*), Bush was nowhere to be seen. Only a terse "no" was issued from the White House publicity office when responding to questions about whether the president would ask Jackson to resign.

In Washington parlance, such a "no" means the president is readying the gangplank unless Jackson finds a way to make the flap disappear, a solution considered highly unlikely.

The ideal scenario for Jackson, and his publicity machine ready to douse political blazes, would be a lull in public attention, allowing the secretary to build a defense strategy out of the public glare.

But that is unlikely to happen, either. The Philadelphia controversy comes to a head again next week, when HUD intends to strip PHA of its \$50 million Moving-to-Work program and agency flexibility to spend federal subsidies without HUD hovering over it.

The controversy will extend well into May when the PHA lawsuit against HUD goes to trial. Jackson will not sit in the docket, having been excused by the judge.

The controversies swirling around Jackson are taking their toll on the department. After a lengthy lull, HUD again has become the butt of jokes inside the Beltway and among the late-night comics.

The attention is troublesome among Republican Party elders, who view it as an election year albatross and would prefer Jackson step aside.

03/28/2008 11 AM

Homelessness

Homeless Evicted From Tent City

California: Ontario officials evict about 400 homeless persons from a tent city near Ontario International Airport so the city can renovate the site.

Officials say homeless individuals who can prove they are city residents can move back after the land is graded and portable toilets are installed.

The homeless have moved their tents to a nearly vacant lot for the duration.

The airport site is too small to accommodate the flood of homeless in recent months, officials say, adding it can hold only about 150 persons.

03/28/2008 11:45 AM

Low-Income Housing

City Overrides Mayor's Sec. 8 Veto

New York: A move by New York City Mayor Michael Bloomberg (R) to quash a city council effort to declare Sec. 8 vouchers as normal income is overridden.

The council, by a 44-7 vote, rebuffs Bloomberg's veto of the measure, which bars rejection of low-income families—holding Sec. 8 housing vouchers from obtaining apartment rentals.

Property owners now must consider the vouchers as income when accessing a potential tenant's eligibility if the individual otherwise is eligible and has a documented source of income.

The move puts the city on par with several states and cities in considering the vouchers as income, including California, Connecticut, Maine, Massachusetts, New Jersey, Minnesota, Utah, Vermont and Wisconsin.

The effect of the new ordinance will depend on how vigorously Bloomberg decides to enforce it.

03/28/2008 11:43 AM

Los Angeles Times

<http://www.latimes.com/business/la-me-housingbond24mar24,1,2829726.story>
From the Los Angeles Times

California regions battle over housing money

Southern California officials complain Prop. 1C funds should be allocated by population, which would mean less for Northern California.

By Patrick McGreevy
Los Angeles Times Staff Writer

March 24, 2008

SACRAMENTO — More than a year after state voters approved a \$2.85-billion bond issue for affordable housing, a geographical tug of war has developed over the money, with Southern California's elected officials complaining that their area is getting short shrift.

They say the money from 2006's Proposition 1C should be apportioned based on population. If it were, Southern California would get 61% of the bond measure proceeds, instead of the 48% it received in the first round of funding.

Northern California officials, including Senate President Pro Tem Don Perata (D-Oakland), who wrote the legislation that put the measure on the ballot, see things differently. With their support, the rules for divvying the money not only reflect a "reasonable geographic distribution of funds" but also require state housing agency officials to consider such factors as the readiness and proximity to commuter rail lines of the projects proposed by developers, cities and counties that are competing for the funds.

So when the first round of money -- about \$286 million -- was awarded last year, Southern California ended up receiving less than half of it. Some of the region's proposed projects simply were not as good as those elsewhere, state housing agency officials said.

And things are not likely to change much in the next two rounds, expected in June. For "infill" housing improvements in older neighborhoods, state officials plan to give 45% each to Northern and Southern California after setting aside 10% for the Central Valley. Money from this \$240-million pool is to go for street and property improvements.

Southern California is slated to get at least 45% of another pot of money, \$95 million to be allocated for housing projects near mass-transit stations and rail lines.

None of this sits well with Los Angeles Mayor Antonio Villaraigosa, who has promised to increase the city's scant supply of affordable housing.

"Southern California is being deprived of its fair share of funding under Prop. 1C despite the fact that this region is home to a majority of the state's population," Villaraigosa said in a recent interview. "The city of Los Angeles expressed serious concern at the state's funding guidelines because they seem to favor Northern California projects."

Protests have poured in from Los Angeles city officials to the state Department of Housing and Community Development, which helped devise the funding formulas and is overseeing distribution of funds.

"We remain steadfast in our assertion that the current allocation . . . is not equitable," Mercedes Marquez, general manager of the Los Angeles Housing Department, wrote in a Feb. 4 letter. She believes Southern California should get at least 55% of the infill housing money.

Most of the complaints have been rejected by state housing officials, who also are under political pressure from legislative leaders in other parts of the state not to give one region too much of the limited pie.

"Los Angeles needs even more than it got," said Assembly Speaker-elect Karen Bass (D-Los Angeles). "But it is a challenge to convince colleagues in the Assembly of that."

When Perata and other legislators drafted the housing bond measure, they did not address how the money would be divided, probably because of concerns that to do so would hamper the measure's chances with voters.

They left it to state housing agency officials to devise a system for distributing the money. The funding formulas were drawn up after talking with housing advocates and politicians throughout California and are based loosely, but not entirely, on population, said Russ Schmunk, assistant deputy director of the agency. One consideration was to ensure that no single part of the state received significantly less than other areas, he said.

Southern California housing experts side with their elected officials. Los Angeles County is the homeless capital of the country, with 80,000 people lacking permanent housing on any given night, and has the largest gap in the state between wages and housing prices, according to Peter Dreier, professor of politics at Occidental College.

"The need is greater here," Dreier said.

But advocates for affordable housing in Northern California said their area has its own housing crisis.

"There needs to be more funding in all parts of the state," said Paul Peninger, policy director of the Non-Profit Housing Assn. of Northern California. He said the state should evaluate the funding formulas after the first rounds of funding to see if any portion of the state was shorted.

There clearly is not enough money to go around. For the \$95 million in transit-oriented projects, for example, applications totaled \$544 million, including \$247 million from Southern California and \$297 million from Northern California.

Perata and state housing officials say their guidelines for future awards are flexible enough to meet the needs in Southern California.

And he cautioned that constant battles over the funds could delay the badly needed projects they are meant to build.

"If these bond dollars are going to get caught in formula fights in Sacramento, then they will never be put to work," Perata said. "We owe it to the voters to get this money out the door and projects completed."

"Dollars," he said, "should follow the demand, and priority should be given to projects that are ready to go."

Perata demonstrated the many ways to determine funding by noting that 41% of the applications for the transit-oriented development came from Southern California but that the state still is planning to allocate it 45% of the funding.

"That appears fair," he said. "Let's move on to actually building the necessary affordable housing."

patrick.mcgreevy

@latimes.com

City of Industry marks 15 years of SB 1718

801 residents (population figure as of 2006)."

Of all the cities in the state of California there is only one exempted from putting up new low and moderate-income housing. The City of Industry has this unique distinction yet still gets credit for enabling the Housing Authority of the County of Los Angeles to finance new affordable housing units for families, seniors, people with disabilities, homeless people and special needs housing such as HIV/AIDS and Alzheimer's hospices.

Since 1992 funds have been transferred to the Housing Authority. According to Industry's City Manager Phil Iriarte, as of May 31 of last year the total for the past 15 years stands at \$152,669,000. Iriarte, who has been Industry's city manager for a decade, has seen the positive ways in which the funds have been used.

"The Housing Authority is very pleased and appreciative of our efforts and was able to leverage these funds to raise more than \$1 billion to create a lot of housing units — 6,000 to be exact," Iriarte said.

The City of Industry, since its founding in 1957, has always been friendly to business. Its purpose was to promote commerce. Businesses are charged property taxes but no business license fees or utility taxes. The elected and appointed officials, every staff member of every agency with the city knows that the No. 1 goal is to make it as easy as possible for businesses to grow and be prosperous. The city also has its own Industry Redevelopment Agency.

"We have zero zoning for affordable housing," Iriarte said. "The only homes in Industry are for the

The history of how the City of Industry complied with California's housing law begins in 1992 when the State Legislature adopted Senate Bill 1718, which allowed it to forgo the portion of the California redevelopment housing law that requires cities to develop new housing or meet its share of regional housing needs. "The City of Industry agreed to contribute 20 percent of its redevelopment tax increment to the Los Angeles County Housing Authority for the purpose of constructing new low- and moderate-income housing within a 15-mile radius of Industry's borders," Iriarte said.

"It was the consensus of the people, the city council and the city staff at the time that special legislation would be required so that Industry could meet its obligation and still remain true to its 'business' centered mission," Iriarte noted.

Representing the City of Industry area at the time in the California Senate was former State Sen. Frank Hill (1990 to 1994 in the Senate and 1982 to 1990 in the Assembly). Industry's first mayor, John Ferrero, and the City Manager/City Attorney Graham Ritchie met with State Sen. Hill to discuss legislation that would exempt Industry from the current law but still allow it to contribute its 20 percent share for new housing.

Hill authored Senate Bill 1718 and worked two days on the floor to get the votes for passage. But before it became Chapter 1139, Section 65584.3 of the California Government Code a few perks by Industry also had to be added to get the measure cleared in Assembly. Industry gave an unused piece of land (city-owned for water reclamation uses) to the Pomona Unified School District so that it could build a high

school and also paid for the grading before construction could begin. Today, Diamond Ranch High School in Diamond Bar serves more than 1,800 students at its 71-acre site and will mark its 10th anniversary of opening its doors in September.

From the beginning, Industry's funds helped a neighboring city.

"As long as the Redevelopment Agency has life, we will continue to send our check," Iriarte said. "Basically, our city treasurer sends one electronic transfer from revenues generated by tax income to the Los Angeles County Housing Authority at the end of the fiscal year, a short time after June 30."

Iriarte explained that these funds have been spent on housing in the far west end of Los Angeles and Long Beach, northwest cities of Pasadena, Altadena and La Cañada Flintridge and far east cities such as Claremont and Pomona. "Our city council and staff are very proud of what we have been able to do over the years and of being a good neighbor and next door neighbor throughout the county but we all hope more of the developments will be in the San Gabriel Valley and closer to our borders."

Iriarte added he was pleased that recent Housing Authority units went to El Monte for senior housing, Baldwin Park for single-family units and one multiple family unit and Pomona for vari-

ous multiple family units and units for the developmentally disabled, single families and those with mental illness.

He noted that other cities that could benefit from the development of affordable housing are La Puente, San Gabriel, Alhambra and the unincorporated area of Valinda (near the City of Industry).

The Housing Element is one chapter of the City of Industry's General Plan. Planning Director Michael Kissell stated in a December memorandum to the Industry City Council: "Every city in the state of California is required to have a general plan, which provides direction and guides for a city's future growth. One of the mandatory elements of a city's General Plan is a Housing Element and the law requires it must be updated every five years."

The Planning Center and city staff prepared a Draft Housing Element proposing three main goals and policies for the 2008 to 2014 planning period:

- * Continue to comply with the requirements of SB 1718 by transferring redevelopment tax increment funds to the Housing Authority of the County of Los Angeles for use in constructing low and moderate income and special needs housing no further than 15 miles from the City of Industry;

- * Encourage the maintenance, preservation and improvement of existing housing units within the City; and

- * Assure that housing opportunities are available to all persons without regard to race, color, ancestry or national origin, religion, marital status, age or disability.

Iriarte said that the City Council adopted the Draft Housing Element Resolution No. 2207 at their last meeting for 2007. "It is now with the California Department of Housing and Community Development and we expect to hear back from them with their comments in the next couple of months."

With the critical need for low income housing statewide, Iriarte said, "It would be very nice if SB 1718 went statewide and other cities could do what Industry does. A lot more units could be built. Every redevelopment agency in the state could utilize it. That would be a wonderful thing if it happened."

Iriarte is aware that it would take new legislation for this to happen but he notes, "There really is a definite need for all those types of housing."

Perhaps new legislation will occur one day in the not too distant future as his thoughts have been echoed by 1718's author, former State Sen. Frank Hill, other state legislators, City of Industry Mayor David Perez, the Los Angeles County Board of Supervisors and the Los Angeles County Community Development Commission, to name a few.

All agree the City of Industry's program is an excellent model. If a bill was adopted like 1718 and went statewide it could allow other cities the option if they don't need low- and moderate-income housing to supply the funds to nearby areas in need instead of redevelopment money accumulating in bank accounts despite the housing shortage.

More than
\$152 million
contributed
to County of
LA Housing
Authority for
low-income
housing

By Clarice Prittie
Special Sections Writer

PHADA Advocate

Public Housing Authorities Directors Association

Volume 23, Number 5

www.phada.org

March 26, 2008

HUD Investigations, New Allegations Surface in Senate Hearings *Sen. Casey's Philadelphia Questions Go Unanswered*

Senate Banking Housing and Urban Affairs Committee

On March 12th the Senate Banking, Housing and Urban Affairs Committee met to hear testimony from two panels of witnesses. The first panel was HUD Secretary Alphonso Jackson.

Panel 1

The first panel with HUD Secretary Jackson absorbed most of the time and attention of the Senate Banking Committee. An article in the *Washington Post* that appeared just hours before the start of the hearing signaled where the Senators might focus. The article entitled, "HUD E-Mails Refer to Retaliation" describes an exchange of emails between former Assistant HUD Secretary for Public and Indian Housing Orlan-

In the first email, Asst. Secretary Cabrera asked Asst. Secretary Kendrick, "Would you like me to make his life a little less happy? If so, how?"

Kendrick replied,

"Take away all of his Federal dollars? :-D" [smiley-face symbol inserted]

A few minutes later Cabrera responds, "Let me look into that possibility."

do Cabrera and Assistant Secretary for Fair Housing and Equal Opportunity Kim Kendrick. The brief email communication was in January 2007 when Carl Greene, executive director of the Philadelphia Housing Authority (PHA) was refusing to relinquish a \$2 million parcel of land to a local developer and friend of the Secretary. HUD allegedly and unsuc-

cessfully tried to get the land released to the developer. The emails seem to suggest that the Department was contemplating retaliation against the award-winning housing authority and its executive director – retaliation that would have meant serious impacts on PHA residents, employees and neighborhoods. In the first email, Assistant Secretary Cabrera asked Assistant Secretary Kendrick, "Would you like me to make his life a little less happy? If so, how?" Kendrick replied, "Take away all of his Federal dollars? :-D" [smiley-face symbol inserted] A few minutes later Cabrera responds, "Let me look into that possibility." Shortly thereafter, HUD declared the PHA in violation of accessibility standards and put \$50 million intended for the agency out of its reach. Greene and the PHA subsequently filed suit against HUD for what the *Washington Post* described as "fabricating problems in the authority's performance as a way to retaliate against Greene."

In his opening statements, Chairman Christopher Dodd (D-CT) spoke about his disappointment in the HUD proposed budget by indicating that there was a "silent" crisis in the country where high mortgages and high rents have priced families out of housing. Senator Dodd said the government "must reaffirm our investment in housing" As the Senator was concluding his statement, he pointed out the Committee's oversight role of HUD and that the Committee was hearing of "impropriety in the Department at the highest level. We take these allegations very, very seriously."

During the first round of questions Senator Robert Casey (D-PA) indicated his disappointment that Secretary Jackson made no mention in his testimony of the "controversy swirling around your tenure." Sen. Casey referred to a November 15, 2007 *National Journal* article that



Senator Robert Casey (D-PA)

See "new allegations surface," continued on page 4

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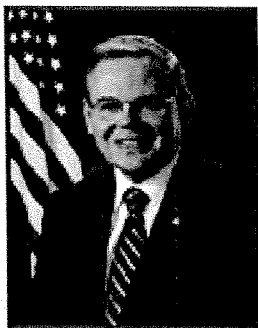
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...“new allegations surface”

Continued from page 1

summarized, “for several months, a federal grand jury, Justice Department prosecutors, the FBI and the HUD inspector general’s office have been exploring Jackson’s role in contracting decisions...” Sen. Casey lectured Secretary Jackson of the roles and responsibilities by asserting the obligation of all public servants to operate in the interests of the public and to work each day to earn the public’s trust.

Senators’ questions appeared to split along party lines. Republican senators generally had positive though limited comments about some aspect of HUD. Senator Wayne Allard (R-CO) talked about HUD’s efforts to improve it’s so that the Department was removed from the GAO’s troubled agency list. Senator Mel Martinez (R-FL) praised HUD’s homeless and home ownership initiatives.



Senator Robert Menendez (D-NJ)

Democratic senators uniformly noted that the budget was inadequate to the need they see in their respective states. Senator Sherrod Brown (D-OH) mentioned that he held 85 roundtable sessions across Ohio and “virtually everywhere is talk of housing.” Senator Robert Menendez (D-NJ) called the budget “an embarrassment and an insult.” He said that public housing authorities were run by “exceptional people, doing exceptional work” but with 81% funding how did the Secretary “expect these agencies to make ends meet?” Senator Menendez also made the point advanced by PHADA that the proration is actually much lower because utilities must be paid out of operating funds, leaving even less to maintain day-to-day operations. The Secretary tried to assure the Senator with a pat answer that housing authorities “have reserves...and can make ends meet.”

Panel 2

The expert panel was comprised of Michael Kelly, executive director of the District of Columbia Housing Authority and representing CLPHA; Hector Pinero, of Related Management; Diane Randall with Partnership for Stronger Communities, a Connecticut nonprofit devoted to housing solutions for the homeless; Edgar Olsen, an economics professor at the University of Virginia and Barbara Sard, of the Center on Budget Policy and Priorities (CBPP). The lengthy questioning during the first panel sharply limited the time for public remarks.

DCHA Director Michael Kelly provided a strong voice for public housing by noting in his remarks that “regrettably, the budget attempts to cripple, dismantle and eliminate public housing.” Kelly went on to say that the 81% funding proration was “inadequate and indefensible.” Later, in response to a question from Senator Jack Reed (D-RI), Kelly pointed out that there is risk for a severe loss of public housing because of inadequate operating funds. He called attention to the fact that “HUD’s own formula says there is \$5 billion of operating need, yet (HUD) asks for much less.”

Senate Appropriation T-THUD Subcommittee

On March 13th, HUD Secretary Alphonso Jackson made his third trip to Capitol Hill in as many days. The Senate Appropriations T-THUD Sub-



Chairwoman Patty Murray (D-WA)

committee replayed some of the key features of the previous two days of hearings at the Senate Banking, Housing and Urban Affairs and the full House Financial Services Committee. Most members expressed disappointment that the HUD budget is so unresponsive to the housing needs of the country. In her opening comments, Chairwoman Patty Murray (D-WA) noted that, “in the midst of a national housing crisis, the effect of this budget will be to hurt those most in need – rather than to provide a helping hand to a more stable and secure future.”

Ranking member Kit Bond (R-MO) drew attention to capacity issues at HUD. He said the agency “continues to face a slew of problems and issues... and they ‘won’t be solved overnight. Sen. Bond specifically noted that HUD did not have adequate staffing or expertise, that staff retirements could further hamper the Department’s ability to conduct oversight and that HUD’s IT systems were numerous and antiquated.

Senator Frank Lautenberg (D-NJ) focused on the capital fund needs of public housing saying that he was “upset and frustrated with what’s happened to the maintenance of public housing.” He asked the Secretary how housing authorities with rising utility and operational cost are supposed to provide decent and affordable housing. The Secretary offered his standard answer for capital needs citing the fact that the Department has demolished 150,000 units and therefore, there must be enough operating funds to maintain public housing.

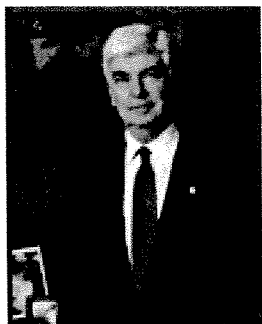
Senator Allard was the only Committee member who seemed thoroughly pleased with the size and scope of the HUD budget. He commended HUD for not trying to meet the “bottomless well of need.”

After Members weighed in on the multiple shortcomings of the budget, the Philadelphia Housing Authority (PHA) story and expanding lists of HUD allegations, that seem to implicate the Secretary, became the hearing’s central focus. Sen. Arlen Specter (R-PA) took the lead to coax some answers from Secretary Jackson just as Pennsylvania’s other Senator, Bob Casey had attempted the day before. The Secretary deflected most questions, but when Senator Specter asked, “Did anyone from Universal Community Homes contact you about turning over the property?” The Secretary took a very long pause before answering, “I can’t remember.” At the end of an unproductive string of questions Sen. Specter said he would arrange a meeting with the Secretary and the authors of the emails – former Assistant Secretary Orlando Cabrera and Assistant Secretary Kim Kendrick to find out what motivated the emails and how they were tied to HUD’s apparent punitive measures against PHA.

Senators Lautenberg and Murray had less luck having their questions about questionable contracts in New Orleans and the Virgin Islands answered. On at least seven occasions, Secretary Jackson said, “There is a lot of misinformation out there. I think it is best to let the investigators complete their work before I make any public comments.”

Senator Murray received some insightful information by changing her line of questions from directly challenging the Secretary to asking about the Department’s standard operating policies and procedures for handling receiverships and contracts. Assistant Secretary Paula Blunt was able to provide specific information about the way contracts are supposed to be solicited and handled -- which seemed to be in sharp contrasts to what occurred at public housing authorities in New Orleans and the Virgin Islands. ■

Senator Dodd Introduces a Senate Section 8 Voucher Reform Act (SEVRA) *Hearings Planned in April*



Senator Christopher Dodd (D-CT)

Senator Christopher Dodd (D-CT), Chair of the Senate Banking Committee, introduced a Senate version of SEVRA in the Senate on March 3, 2008. Joining Senator Dodd in cosponsoring the bill were Senator Barbara Boxer, (D-CA), Senator Sherrod Brown (D-OH), Senator Robert Menendez (D-NJ), Senator Jack Reed (D-RI), and Senator Charles Schumer (D-NY). The bill was referred to Dodd's committee for consideration. The House had passed a version of SEVRA on July 12 by a substantial bipartisan majority. The Senate Banking Committee may schedule hearings on Senator Dodd's version of the bill for in April. Sometime thereafter, the committee may approve the bill for the full Senate to consider.

Broad Characteristics of the Bill

The Senate bill includes 21 substantive provisions, as does the House bill, but the Senate has included 3 provisions not adopted by the House and has not included 3 provisions passed in the House of Representatives.

The Senate did not include provisions:

- Authorizing, with a Housing Choice Voucher participant's permission, HAs to report rent payment histories to credit reporting agencies,
- Concerning the transfer of specific rental assistance contracts in 2 Ohio counties,
- Requiring acceptable forms of identification in order for participants to receive 1937 Housing Act assistance, and, most importantly,
- Permanently authorizing the current Moving to Work demonstration program, called the Housing Innovation Program in the House bill.

The Senate added provisions:

- Authorizing project-based preservation vouchers in lieu of enhanced voucher assistance,
- Requiring the Government Accountability Office (GAO) to study obstacles to using vouchers in federally assisted housing projects,
- Requiring collection of demographic information about residents in Low Income Housing Tax Credit supported projects, and
- Authorizing HAs to make utility payments from HAP funds when an owner fails to pay utilities for HCV assisted units.

In addition to these differences between versions of SEVRA, the House and Senate bills differ in a number of important details in sections that the two bills share.

Both the Senate and the House bill include provisions attractive to

HAs, including:

- Biennial reinspection of HCV assisted housing units
- Triennial recertification of the income of households receiving fixed incomes,
- Use of historical income information to determine rent,
- Elimination of imputed income from assets,
- An increased medical deduction threshold,
- A significantly simpler earned income disregard,
- Raising the proportion of tenant based vouchers that HAs may project base,
- HCV renewal funding based on units under lease and their costs,
- Administrative fees based on units under lease,
- Voucher overleasing within renewal funding amounts,
- Required absorption of incoming portable vouchers,
- Improvements to HUD's implementation of limited English proficiency (LEP) standards, and
- Authorization of an additional 20,000 Housing Choice Vouchers.

Both bills also include several problematic provisions, which include:

- Use of abated HAP payments to repair voucher assisted units, to pay reasonable relocation expenses and to pay security deposits,
- Eligibility for continued participation based on income and assets,
- A new HCV performance assessment system,
- Authority for the Secretary to redetermine administrative fees, and
- Preparation and dissemination of annual reports concerning participants' rent burdens.

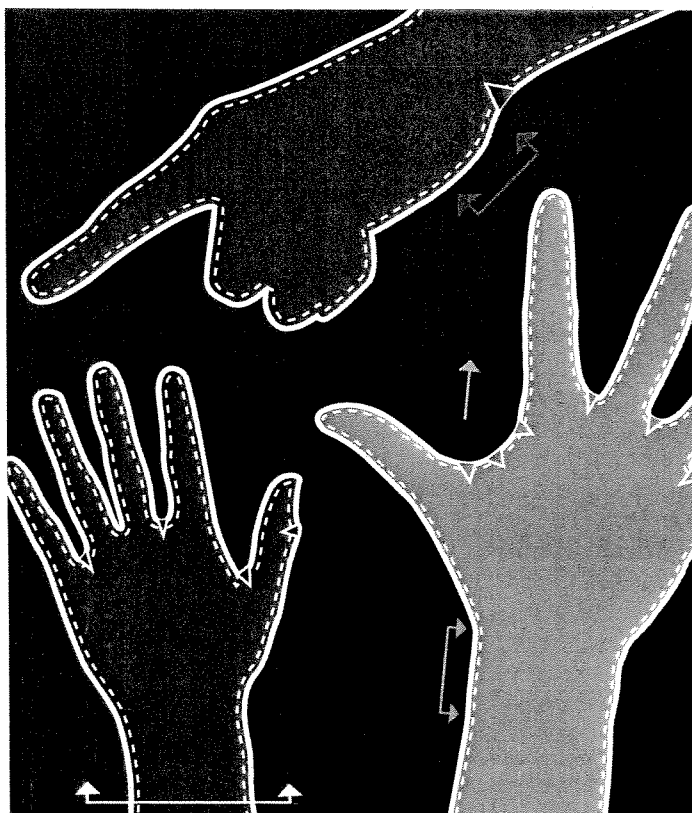
These bills also differ in a number of significant details. For example:

	House	Senate
Child Care Deduction	Eliminated	Retained
Earned Income Disregard	10%, up to \$1,000	10%, up to \$900
Elder Deduction	\$720	\$700
Dependent Deduction	\$500	Unchanged
Interim Recertification Threshold	\$1,500	\$1,000
Performance Assessment Standards	Does not include targeting requirements	Includes targeting Requirements

Status of Moving to Work (MTW)

A major addition to the House version of SEVRA was the inclusion of the Housing Innovation Program (HIP) as permanent authorization for MTW. The House bill would authorize 60 participating agencies, with an additional 20 agencies that would have limited flexibility. The House bill includes significantly greater constraints than some current MTW

See "senate SEVRA," continued on page 14



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...“capital needs assessment”

Continued from page 7

It is unclear at this point what Congress and HUD mean by the concept of “sustainable rehabilitation.” The conference report states that “...capital fund needs are great and...investments made to the valuable asset of public housing should be made in a sustainable manner.” In this context, sustainable could refer to using building materials and methods that can stand up in public housing or it could refer to the concern that in certain locations it is necessary to undertake modernization efforts more frequently than might be expected using a simple estimation of the life-span of various systems.

The RFP calls for the contractor to submit its various survey instruments, sampling and cost estimating techniques and draft reports to HUD for its review, as well as setting aside time for large meetings with numerous HUD employees. What it is lacking, though, is any mention of periodic meetings and reviews by housing authorities, industry groups or other stakeholders in the condition of public housing. Certainly, during the Harvard cost study's three year genesis, regular meetings with housing authorities were an invaluable part of the process and improved the final product significantly. In addition, PHADA and CLPHA also hired a statistics professor to provide independent analysis and comment on the statistical methods that are so integral to both of these studies. PHADA believes strongly that the development of the capital needs estimate and its various policy reports should be transparent and have an opportunity for regular public input.

PHADA, CLPHA and NAHRO have requested a meeting with relevant HUD staff to learn more about the RFP and make their position known in regard to including the stakeholders in the process. In addition, they are hoping to receive additional information on questions about the sampling and costing techniques as well as the Department's intentions in regard to enhancing the REAC inspections, improving sustainable rehabilitation, evaluating housing authority estimates, and distributing the capital funds. ■

SAGIS Reopens without Significant Apparent Problems

On Monday, March 3, HUD reactivated its Subsidy and Grants Information System (SAGIS) for use by HAs, and based on feedback from PHADA members, it appears that most users are finding SAGIS to be trouble-free. A few agencies have reported difficulties with prepopulated fields in the system and are working on those problems with HUD staff.

Agencies have 45 days to load their public housing budget information into the system so that they may begin receiving Operating Subsidy funding as they expected in 2008. After HAs have loaded data into the system in mid-April, HUD will complete calculations for Operating Subsidy eligibility. The department expects to provide HAs with funding based on the new Operating Fund formula for the second half of 2008. Until then, HAs will continue to receive Operating Subsidy based on their 2007 funding adjusted for inflation. Agencies that gained Operating Fund eligibility will not receive the other half of that funding increase until after June, when HAs may also benefit from increased 2008 Operating Fund appropriations exceeding the rate of inflation. ■



IN TROUBLE - A Kern County Sheriff's deputy escorts a parolee to a patrol car after he was arrested on suspicion of violating parole Thursday in a Lancaster apartment complex.

VERONICA ROCHA/Valley Press

Sheriff's sweep cleans out complex

Officers arrest 17 violators in morning raids

*This story appeared in the Antelope Valley Press
Friday, March 28, 2008.*

By VERONICA ROCHA
Valley Press Staff Writer

LANCASTER - Ten people, including three parolees, were arrested on suspicion of felonies and two weapons were recovered during a Section 8, probation and parole sweep Thursday morning in a westside apartment complex.

Another seven were arrested on a variety of misdemeanor charges, and law enforcement personnel noted violations at two residences that could cost the renters their Section 8 funding, Sheriff's Department officials said.

The sweep, conducted by approximately 40 members of law enforcement from nine agencies, came after the Lancaster Sheriff's Station received complaints about vehicle thefts, burglaries and the presence of gangsters at the Sunset Ridge apartment complex at 17th Street West and Avenue K.

"The management was very cooperative and very proactive in helping us put this operation together," Deputy Kelly Simon said.

During Thursday's sweep, a stolen gun was seized inside the apartment of a man who was on work release from Mira Loma Detention Center, Simon said.

An SKS semi-automatic assault rifle, a Soviet-designed weapon of the sort used by the Viet Cong during the Vietnam War, was seized inside a different apartment, he said.

In addition to the three people picked up on suspicion of violating parole, one person was arrested on suspicion of furnishing marijuana, one on a possession of a controlled substance

charge, one on a possession of an unregistered assault rifle charge, one on a possession of stolen property charge related to a firearm and miscellaneous items, and one for allegedly being a felon in possession of a firearm. Charges were not specified in the other two felony arrests in information released by the station.

Five people also were arrested on misdemeanor warrant charges and two on misdemeanor possession of marijuana charges.

Two Section 8 recipients were recommended for termination from the rental subsidy voucher program since parolees were residing at the apartments, Simon said.

Law enforcement officials searched 31 apartments for possible parole, probation and Section 8 violations.

Chilly wind whipped through the 900-suite apartment complex Thursday as law enforcement officials split up into five teams and navigated in and out of a maze of apartments.

Deputies knocked on the door of one apartment two parolees had claimed as their primary residence, said Sgt. Steve Sylvies of the Lancaster Community Appreciation Project Unit.

The parolees didn't live at the residence and had claimed to do so for purposes of parole, he said.

At another building, a parolee was arrested at a Section 8 residence. A large machete was seized inside the apartment, but the parolee's mother claimed it belonged to her, not to her son. The apartment's Section 8 recipient was recommended for termination, Sylvies said.

Under Section 8 regulations, recipients are forbidden to allow individuals on probation or parole to reside in a subsidized rental. Section 8 recipients must provide the Housing Authority with a list of people who reside at the home, and those individuals must be authorized by the Housing Authority.

Another parolee arrested was surprised when he saw deputies in the apartment complex.

He was walking along an apartment building sidewalk when he took off running after seeing deputies, sheriff's officials said.

He ran up the stairs to his sister's apartment, kicked in the front door and hid inside a bedroom but was almost immediately arrested, officials said.

Kern County sheriff's deputies, Palmdale and Lancaster sheriff's station Community Oriented Policing Services deputies, Lancaster station LAN-CAP Unit, Target Oriented Policing Unit and CORE personnel, county Section 8 investigators and county Probation and Parole officers were briefed early Thursday at the Lancaster station before the sweep, which took about three weeks to organize.

"These are mostly hard-core parolees and probationers," Deputy Troy Bowser said at the

briefing of the people being targeted in the raid. Bowser said apartment complex management was concerned about illegal activity at the complex and wanted to remove the criminal element. Sheriff's officials said management provided deputies with leads on the suspects.

At least 16 vehicles have been reported stolen from the complex, Sylvies said.

vrocha@avpress.com

Heard at HUD

Bush HUD Nod Likely To Bernardi

While Deputy HUD Secy. Roy Bernardi will take over the department helm April 18 when Secy. Alphonso Jackson departs, no surprises in the naming of a new secretary are likely.

Bernardi reportedly heads the list and the inside-the-Beltway response so far to his taking the administrative reins is overwhelmingly in his corner.

There have been rumblings about others seeking the appointment, such as former Maryland Lt. Gov. Michael Steele (R), but they are only faint murmurs at this point.

President Bush, anxious to get a firm handle on the housing/financial crisis before the elections, won't want a protracted battle over a Senate confirmation.

That leaves Bernardi as the only solid contender to replace Jackson. The former Syracuse, NY, Republican mayor has received high marks from both parties

Whether Bernardi could escape the taint of the Jackson administration remains to be seen. There is a record of Bernardi refusing to sign off on some HUD decisions because he didn't agree with Jackson's conclusions.

The result was a somewhat strained relationship between the two. Where Jackson freely consulted with his predecessor, Mel Martinez, Bernardi rarely was seen in Jackson's office and vice versa, sources tell *HAL*.

Regardless, Bernardi's determination to do the job assigned to him—run HUD's day-to-day operations while a political mess unfolded around him—should hold him in good stead with senators if nominated.

Bernardi has at least two firm allies on the Banking Committee: Sen. Charles Schumer (D-NY), who dealt with Bernardi when he was mayor, and

Martinez (R-FL), now a senator.

If Bernardi doesn't get the White House nod, he still would have time to toss his hat into New York's 25th congressional district race. Bernardi was a top GOP candidate for the open seat but decided to weather the drama unfolding at HUD. Republicans have until April 25 to declare for the seat.

04/04/2008 11:28 AM

Jackson Portrait And Proctology

Much public interest about the \$20,000 portrait HUD Secy. Alphonso Jackson commissioned of himself has surfaced in the days following his resignation. It took a Washington Post writer's musings to add a new perspective to the issue.

Mary Ann Akers had phoned HUD's publicity office to determine the status of the Jackson portrait in light of the secretary's resignation under fire this week. Akers asked senior HUD publicist Jerry Brown what would happen to the portrait considering Jackson is at the center of a criminal investigation.

Brown replied that he is not a "protocol officer" and wouldn't have any idea about the portrait's fate. The term "protocol" became "proctologist" when Akers later punched the computer keys.

Normally there is no confusion about the meaning of the terms, and they are at enough of a distance from one another in the dictionary to discard the possibility of juxtaposition.

One can only begin to wonder how Akers managed to confuse diplomatic formality, precedence and etiquette with the anus.

04/04/2008 11:24 AM

HUD

Alphonso Jackson Quits HUD

At the end, there were no options left for HUD Secy. Alphonso Jackson. Even Jackson's close friendship with President Bush was meaningless in light of the damage Jackson was inflicting on the administration's attempt to cure the housing/economic crisis.

Jackson reportedly wrestled with the decision into the weekend. Sources tell *HAL* the secretary had been hoping to leave the department with some dignity, like having a college presidency offer. But nothing materialized.

Jackson resigned officially Monday morning and will head back to hometown Dallas where he will muster support to fight allegations of corruption against him. The secretary's last day is April 18.

Deputy Secy. Roy Bernardi assume the acting reins for the time being. Bernardi likely will be named to succeed Jackson as the third HUD secretary in the two-term Bush administration.

Jackson had dug in his heels following initiation of a four-pronged investigation into his actions as secretary last September. The Justice Dept.'s ethics division, FBI, HUD inspector general and federal grand jury are investigating favoritism in the letting of HUD contracts and the placing of Jackson cronies in high-paying positions.

A concurrent probe into possible perjury before a congressional committee may fade as a result of Jackson's resignation, allowing full concentration on corruption investigation.

The end was signaled when Senate Banking Chairman Christopher Dodd (D-CT) and Senate HUD appropriations subcommittee Chairwoman Patty Murray (D-WA) sent a letter to Bush, with a copy to Jackson, urging the secretary's firing (*HAL* #12, 3/21).

While the White House issued a terse "no" when asked if Jackson would be fired, the signal Jackson would soon depart was in Bush's failure to give a personal boost to his long-time friend (*HAL* #13, 3/28).

Jackson had spent several weeks on the hustings promoting solutions to the mortgage/economic dilemma, hoping the effort would keep him in good graces for the time being, to no avail.

The Senate letter, coupled with increasing media drumbeats calling for him to step down, backed Jackson into an untenable corner.

The White House and Treasury Dept. realized then there would be severe congressional obstacles to overcome in the housing market restoration campaign unless Jackson was out of the way.

Coupling the morass surrounding that campaign was the likelihood of indictments and public arrests coming up to the presidential nominating conventions and the November elections, a prospect abhorred by a Republican Party still saddled with the onus of corruption during the 2006 elections.

03/31/2008 10:05 AM

Jackson to Resign

Alphonso Jackson, the embattled secretary of Housing & Urban Development, will announce his resignation Monday, well-placed sources tell us.

Jackson in recent months has been at the center of a firestorm of criticism, drawing allegations of cronyism and favoritism.

Earlier this month, Sens. Patty Murray (D-WA) and Christopher Dodd (D-CT) fired off a letter to President Bush pressing for Jackson's resignation, claiming that the allegations surrounding the HUD honcho have become a distraction, rendering him an ineffective leader of the agency.

03/30/2008 10:29 PM

Public Housing

Jackson Legacy In New Orleans

Louisiana: Whatever happens to HUD Secy. Alphonso Jackson in the legal forum, he always will be remembered—favorably and angrily—as the man who changed the face of public housing in New Orleans.

Even Mayor Ray Nagin (D) speaks favorably of Jackson, explaining that the outgoing secretary managed to weather intense criticism to remake the image of public housing in the city.

So far, all four of the major public housing projects—B.W. Cooper, C.J. Peete, St. Bernard and Lafitte—are under the wrecker's ball and will be replaced by mixed-income townhouse developments while providing about the same number of public housing units as existed before Hurricane Katrina devastated the area in 2005.

04/04/2008 11:31 AM

Philly HA Gets MTW Reprieve

Pennsylvania: Philadelphia Housing Authority's (PHA) Moving to Work (MTW) gets a one-year HUD reprieve after a federal judge rules the department didn't retaliate against the authority over a flap with HUD Secy. Alphonso Jackson.

The reprieve means PHA will keep \$40 million applied to MTW and avert a layoff of 186 authority employees. In the interim, PHA Executive Director Carl Greene says he will appeal to Sens. Arlen Specter (R-PA) and Robert Casey (D-PA) to restore the demonstration program.

HUD had told PHA it would discontinue MTW on March 31—ironically the same day Jackson close to resign from HUD because of criminal investigations—because PHA had failed to provide sufficient access to its public housing facilities for disabled tenants. The 10-year pilot effort was set to expire on that date anyway, but PHA had anticipated renewal because of high marks it had received for administration.

The decision by U.S. District Judge Paul Diamond doesn't derail the PHA's lawsuit against Jackson. The lawsuit was filed in December accusing Jackson of removing PHA from the program because Greene refused to sell

a \$7 million 26-acre plot of land at a discount to a Jackson crony.

Diamond, emphasizing that the MTW action is unrelated to the lawsuit, says in his ruling that PHA failed to meet its burden of showing that HUD's refusal to renew or extend its MTW agreement would result in immediate and irreparable harm.

"On the contrary, if PHA chooses to reject HUD's standard agreement, any harm PHA suffers will be by its own hand, not HUD's," Diamond writes.

Noting that PHA had asked for special MTW treatment because of its Fair Housing Act violations, Diamond says, "HUD has shown without contradiction that it now requires all housing agencies participating in the MTW program to enter into standard MTW agreements with their current MTW agreements expire."

Greene contends PHA is in compliance with the accessibility rules, with 8% of PHA housing handicap accessible. The federal requirement is 5%.

The trial in the lawsuit is scheduled to begin May 20.

Info: www.cdpublications.com/docs/5692

04/04/2008 11:39 AM

New Orleans Poor Population Halved

Louisiana: Nearly half of New Orleans' pre-Hurricane Katrina population has not returned, state social-service department records show.

State Dept. of Social Services data show the number of families receiving food stamps dropped from 46,551 in 2005 to 22,768 in January, while data at the state Families Independence Temporary Assistance Program show welfare recipients down from 5,764 in 2005 to 1,412 now.

Medicaid recipients are down from 134,249 to 72,211, a 46% decline, says the state Department of Health & Hospitals. There now are 18,940 Social Security recipients, down from 37,805 in 2005.

04/04/2008 11:42 AM



HUD chief quitting, cites family reasons

By MARCY GORDON, AP Business Writer

55 minutes ago

The Bush administration's top housing official, under criminal investigation and intense pressure from Democratic critics, announced Monday he is quitting.

Housing and Urban Development Secretary Alphonso Jackson said his resignation will take effect on April 18. The move comes at a shaky time for the economy and the Bush administration, as the housing industry's crisis has imperiled credit markets and led to a major economic slowdown.

Jackson, 62, has been fending off allegations of cronyism and favoritism involving HUD contractors for the past two years. The FBI has been examining the ties between Jackson and a friend who was paid \$392,000 by Jackson's department to manage construction in New Orleans after Hurricane Katrina.

The HUD chief made no direct mention of that in his resignation statement. Explaining his move, he said: "There comes a time when one must attend more diligently to personal and family matters. Now is such a time for me."

He did not take questions or elaborate on the family reasons he cited for the decision. The group assembled to hear his statement applauded and he left the room.

President Bush said he accepted Jackson's resignation "with regret."

"I have known Alphonso Jackson for many years, and I have known him to be a strong leader and a good man," Bush said in a prepared statement released by the White House.

Jackson has a friendship with President Bush that dates to the late 1980s, when they lived in the same Dallas neighborhood. He was the first black leader of the housing authority in Dallas and president of American Electric Power-TEXAS in the 1990s.

On Monday, Jackson said he has spent more than 30 years of his life improving housing opportunities for all Americans, regardless of income or race.

"My life's work has been to build better communities that families are proud to call home," the embattled housing secretary said.

Jackson said he is staying on three more weeks to ensure an orderly transition of the leadership of HUD.

His statement offered an upbeat review of his own record.

He said he and his team at the housing agency had helped families keep their homes, reduced chronic homelessness and "transformed public housing."

Democratic Sen. Patty Murray of Washington state, who had called on Jackson to step down, said the resignation was a relief to the millions of homeowners struggling to stay above water. What they care about most is meaningful action from the administration that so far has responded to Wall Street but not to Main Street.

Murray and Christopher Dodd, D-Conn., have said that Jackson's problems represented a "worsening distraction" at a time when the nation needs a credible housing secretary who is beyond suspicion.

When the existence of the criminal probe against Jackson was revealed in October, the White House said President Bush was "deeply disappointed."

http://news.yahoo.com/s/ap/20080331/ap_on_go_ca_st_pe/hud_chief&printer=1;_ylt=Ap9... 3/31/2008

supports Jackson and that Jackson "expects that the investigation will clearly establish that he did nothing improper or unethical."

In another controversy, the housing authority in Philadelphia has filed a lawsuit alleging that Jackson tried to punish for nixing a deal involving music-producer-turned-developer Kenny Gamble, a friend of Jackson.

At a congressional hearing this month, Jackson repeatedly refused to answer questions about the Philadelphia rec deal.

Last year, the inspector general at Jackson's department found what it called "some problematic instances" involving contracts and grants, including Jackson's opposition to money for a contractor whose executives donated exclusively to Democratic candidates.

The HUD IG found that Jackson blocked the money "for a significant period of time." Jackson blamed his own aide for the delay.

In 2006, Jackson triggered the IG inquiry when he said publicly that he revoked a contract because the applicant with whom he said he did not like President Bush.

Jackson later told the IG's investigators that "I lied" when he made the remark about taking back the contract.

Bush called Jackson "a great American success story," the youngest of 12 children who understood the value of hard work.

Associated Press writers Ben Feller, Hope Yen, Pete Yost and Devlin Barrett also contributed to this report

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IDEAS AND TRENDS

LAND USE

Zoning Can Impede Multifamily Development; Impact on Affordable Housing Is Less Clear, Report Says

Zoning restrictions clearly seem to impede the development of high-density multifamily housing in some jurisdictions, but the impact on affordable housing is less clear, according to a report released by HUD.

The report is based on an analysis of zoning regulations and housing market performance in jurisdictions in the Boston, Miami, Minneapolis-St. Paul, Portland, Ore., Sacramento, and Washington, D.C., areas.

The study was done for HUD, the Lincoln Institute of Land Policy, and the Fannie Mae Foundation by Gerrit-Jan Knaap, professor and director of the National Center for Smart Growth Research and Education at the University of Maryland; Terry Moore, vice president and planner at ECONorthwest in Eugene, Ore.; Stuart Meck, director of the Center for Government Services, Edward J. Bloustein School of Planning and Public Policy, State University of New Jersey in New Brunswick; and Robert Parker, managing director of the Community Service Center at the University of Oregon.

Findings of Study

The authors found that high-density development is not always affordable, low-density development is not always costly, and high-density and multifamily zoning is neither necessary nor sufficient to produce affordable housing.

According to the report, statistical and regulatory analysis does show a correlation between zoning capacity and residential development and evidence of specific policies that directly limit the amount of multifamily development in some jurisdictions. These jurisdictions generally had higher incomes, higher housing prices, and fewer multifamily units than neighboring communities.

"Jurisdictions identified as having barriers to multifamily development were frequently less dense and often more expensive than their neighbors," the report says. "Stakeholder interviews, however, underscored the finding that zoning alone does not cause — nor can it solve — the problem of affordable housing. Multifamily housing is not always cheap, and single-family housing is not always expensive."

The report also found that other factors besides zoning can limit multifamily production, including market conditions, the availability of land, the provision of public services, and other planning goals, such as the preservation of open space or rural areas.

Need for More Data

Because of such factors, according to the report, a deter-

mination of the impact of multifamily zoning restrictions on affordable housing requires better collection and analysis of local data.

"Few metropolitan areas have acquired and maintained comprehensive data on zoning, plan designations, and other regulatory constraints," the report says. "Yet, when such data are collected, integrated, and generalized, much better information about regulatory barriers to affordable housing becomes available."

The study also found that state and regional oversight of local land use policies can reduce barriers to multifamily development, while fair-share remedies, such as those in Massachusetts, appear to be less effective.

("Zoning as a Barrier to Multifamily Housing Development" is available at www.huduser.org/whatsnew/whatsnew.html.)

PUBLIC HOUSING

*Most New Orleans Residents Want to Return, But Not to Public Housing Units, According to HANO Survey

Most New Orleans public housing residents displaced by Hurricane Katrina want to return to the city, but not to public housing, according to a survey commissioned by the Housing Authority of New Orleans (HANO).

The survey of more than 2,100 current and former public housing residents was done by the University of Texas at Arlington (UTA). UTA hired Survey Communications, Inc. of Baton Rouge (S.C.I. Research), a national marketing research firm, to conduct the telephone survey.

S.C.I. Research was able to contact 2,553 of the 5,100 displaced public housing families, and 2,109 ultimately agreed to participate in the survey.

Housing Preferences

The survey found that 71.6 percent of the respondents wanted to return to New Orleans, but only 35 percent wanted to go back to public housing there.

Moreover, only 20.3 percent of the respondents said their preference is to return to their former public housing units, including only 13.7 percent of the families who resided at the so-called "Big 4" developments: C.J. Peete; B.W. Cooper; St. Bernard; and Lafitte.

By comparison, 36.6 percent of the respondents said they would like to return to New Orleans, but with a Section 8 voucher, rather than a public housing unit; 21.4 percent preferred to remain in the community to which they evacuated, living in public housing or private rental housing with a voucher; and 6.9 percent did not express a housing preference.

Returning to New Orleans

Half of the respondents have already returned to New

Orleans, where there are now 1,824 families living in a combination of rehabilitated and newly constructed public housing units. HANO also has another 253 units available for lease, with 790 units under repair.

Of the former residents still living outside of the city who said they want to come back, 54.1 percent said they would like to return within two months, and 56.5 percent said they could return within three months.

Possible barriers to a return cited in the survey include a need for transportation (83.2 percent of the respondents), a need for assistance with packing and moving (76.5 percent), children enrolled in school in their present location (45.8 percent), and health care issues (42.7 percent).

AFFORDABLE HOUSING

National Housing Conference Working On Foreclosure Prevention, Incentives For Employer-Assisted Housing

The National Housing Conference (NHC) has been actively engaged in foreclosure prevention and continues to support incentives for employer-assisted housing, according to Sharon Price, NHC policy director, and the organization is also getting involved in transit-oriented development.

When the extent of the subprime mortgage problem became known last year, NeighborWorks America and Enterprise asked NHC to form a working group on foreclosure prevention, Price said. The goals of the working group, which now includes 30 organizations, have been to share information, identify foreclosure prevention services and activities, and find areas of policy agreement.

Price noted that bills to prevent foreclosures have all involved some variation on the equity-sharing approach, with a write-down of the first mortgage so the borrower can afford the payments and a soft second mortgage that is repaid upon refinancing or when the house is sold.

The working group also is considering what should be done with real estate owned (REO) property held by lenders. The number of REOs in some areas has caused concerns about neighborhood blight as houses remain empty. Price said the group is working on a consensus solution for REOs that can be recommended to policymakers.

Transportation, Housing

Transit-oriented development is a new part of the NHC

policy agenda this year in preparation for a surface transportation reauthorization bill to be considered by the next Congress. NHC is working with Smart Growth America and Reconnecting America on this issue.

A new organization, T4 America, which is now being formed, will lobby for transit-oriented development. Current law doesn't provide specific funds for housing, but local governments have authority to use surface transportation funds for housing near transit if that is a local priority. The NHC group wants to include language in the new bill that specifically allows the use of funds for affordable housing near transit centers.

The NHC continues to be involved in employer-assisted housing (EAH) and has a working group supporting passage of federal legislation to provide a tax credit to employers that provide a housing benefit, either down payment or closing cost assistance or rental assistance.

Employer Tax Credits

NHC supports two identical bills, H.R. 1850 and S. 1078, which would make a tax credit available to any for-profit or nonprofit employer for providing housing assistance to its workers. Employers would receive a 50 cent credit for every eligible dollar of housing benefit made available to employees. Employers would receive the tax credit on housing contributions up to \$10,000 or 6 percent of the purchase price of a home, whichever is less, or up to \$2,000 for rental assistance.

The credit would only be available for assistance to families with incomes no higher than 120 percent of area median income. The housing benefits received by the employees would be excluded from their income and not subject to income tax. The bills also would authorize \$5 million for technical assistance.

Price also said that NHC is beginning to work on what housing policy should look like during the next five years. A policy road map will be especially important with the transition to a new Administration, she said. NHC will be asking what housing policy should achieve, what levels of funding there should be, and what changes should take place at HUD. NHC plans to reach out to the main policy players in Washington to promote this discussion, she said.

Achieving family self-sufficiency for low-income families through wealth and asset building is also a policy focus at NHC, said Price. As part of this discussion, NHC will look at programs and other means of helping families move out of subsidized housing or get into better housing, Price said.

Los Angeles Times

<http://www.latimes.com/news/nationworld/nation/la-na-jackson1apr01,0,7801496.story>
From the Los Angeles Times

HUD Secretary Alphonso Jackson steps down

The Bush appointee's decision comes amid an investigation for cronyism in awarding federal housing contracts. His resignation takes effect April 18.

By Johanna Neuman
Los Angeles Times Staff Writer

April 1, 2008

WASHINGTON — Housing and Urban Development Secretary Alphonso Jackson resigned today amid a criminal investigation into favoritism in awarding HUD contracts that critics said was blunting the agency's effectiveness in dealing with the subprime mortgage mess.

"There comes a time when one must attend more diligently to personal and family matters," Jackson said in a brief statement. "Now is such a time for me."

Noting that he had, during his tenure, "improved housing opportunities for all Americans," the secretary said "he took great pride" in increased homeownership by minority Americans.

"My life's work has been to build better communities that families are proud to call home," he said, adding that his resignation would take effect on April 18 to ensure a smooth transition.

The son of a lead smelter and a midwife nurse, Jackson was the youngest of 12 children and rose to become the first African American president and chief executive of the Dallas Housing Authority and president of American Electric Power Texas in Austin.

Tapped by George W. Bush, his fellow Texan, for a role in his presidential administration, Jackson served first as deputy housing secretary and chief operating officer before, in 2004, becoming secretary.

President Bush said in a statement that Jackson was "a strong leader and a good man" and that he had accepted the secretary's resignation "with regret."

Last week, Democratic Sens. Patty Murray of Washington and Christopher Dodd of Connecticut sent a letter to the White House calling for the secretary's departure, saying his legal problems represented a "worsening distraction" at HUD at a critical time.

"We are deeply troubled by the growing number of allegations of impropriety . . . and the secretary's refusal to answer appropriate congressional inquiries on these matters," the senators wrote. "Unfortunately, the allegations surrounding Secretary Jackson, as well as his rejection of appropriate congressional oversight of his department, undermine his ability to effectively address the current housing crisis."

The investigation into Jackson began in 2006, after he publicly disclosed that he had revoked a contract because the vendor told him he did not like President Bush. Amid an inspector general inquiry, Jackson told investigators that he had misspoken.

Jackson, 62, has since then been fending off allegations of cronyism involving HUD contractors. The FBI is looking into ties between Jackson and a friend who was paid \$392,000 by HUD for work as a construction manager in New Orleans after Hurricane Katrina. In addition, Jackson is also being sued for allegedly trying to punish the Philadelphia Housing Agency for nixing a deal with his friend, music producer and developer Kenny

johanna.neuman@latimes.com

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April 1, 2008

Inflation Factor Too Low, Say Industry Groups

HUD's method of calculating the inflation factor for Project Expense Levels "fails ... to reflect the actual rise in prices" housing authorities experience, CLPHA and its industry partners said in a March 31 letter to General Deputy Assistant Secretary Paula Blunt.

"The methodology uses old data to calculate the change from 2007 to 2008, including inflation rates going as far back as 2002; it uses different methods in calculating the salary portion of the factor than the producer price portion; and it does not include all the relevant variables, such as benefits, which impact the inflation affecting housing authority costs," said the letter from CLPHA, PHADA and NAHRO.

HUD's methodology, said the groups, "produces a low inflation factor relative to that which would result from using the formula agreed to during negotiated rulemaking." The difference between these two methods results in more than a \$70 million shortfall in operating fund eligibility, said the groups. "This shortfall is made more serious, because the inflation factor becomes a part of the PEL and thus is carried on indefinitely," says the letter.

CLPHA and its partners asked Blunt for a meeting at which the issues could be discussed and, hopefully, resolved. ■

*President Urged to Move Swiftly On Naming Successor to Jackson

In the waning months of an administration whose record has repeatedly disappointed supporters of public housing, the resignation of HUD Secretary Alphonso Jackson raises a number of questions for the nation's public housing authorities. Not least of them: What next from HUD? In the short-term, Deputy Secretary Roy Bernardi will likely serve as Acting Secretary. Bernardi, former mayor of Syracuse, NY, is currently charged with managing HUD's day-to-day operations, a \$37 billion annual budget and the agency's 9,100 employees. Whether the president will choose to fill a lame duck cabinet vacancy is unknown, though speculation as to whom the administration might choose to fill Jackson's shoes is among Washington's latest parlor games.

"HUD insiders say that Roy Bernardi ... or Brian Montgomery, commissioner of the Federal Housing Administration and assistant secretary for housing, are the leading candidates to replace Jackson," reported the respected *National Journal*. "One former senior HUD official said that Montgomery may have the inside track because of his personal relationship with President Bush. Montgomery worked for Bush when the president served as governor of Texas," the story continued.

Further, said the *National Journal*, "a third name — that of James B.

(Continued on p. 2)

HUD Guidance Clarifies Use Of Cap Funds for Central Office

New HUD guidance makes clear that PHAs can use up to twenty percent of their capital funding for central office costs. A HUD Notice implementing the policy, and describing its provisions, was issued March 25. Language allowing the use of capital funds in this manner was included in the appropriations bill passed by Congress in December. The appropriations legislation requires that HUD "shall not impose any requirement or guideline relating to asset management that restricts of limits in any way the use of capital funds for central office costs," provided that a housing authority uses no more than 20 percent of their capital funds for operating costs.

Under the new guidance, a PHA that transfers capital funds to pay for central office costs "must maintain overhead allocations to demonstrate reasonable costs and must not use fee-for-service for their public housing program." HUD has determined that the ability to use capital funds for central office costs extends in perpetuity. CLPHA was instrumental in getting the

(Continued on p. 3)

President Urged to Move Swiftly On Naming Successor to Jackson

(Continued from p. 1)

Lockhart III — is circulating in Washington housing circles. Lockhart, the director of the Office of Federal Housing Enterprise Oversight, also has a long-time relationship with the president.”

Leadership of the Department over the next 10 months is a subject of considerable concern to lawmakers, particularly as Congress struggles to develop a response to the subprime mortgage crisis.

“It is essential the President immediately name an acting secretary who will have the full authority to work with us in making the decisions we need to deal with the housing finance crisis,” Rep. Barney Frank (D-MA), chairman of the House Banking Committee, said following Jackson’s resignation announcement. “During the Bush Administration, and particularly the last year, HUD has fallen far short of playing the constructive role that is required,” said Frank. “Financial Services Housing Subcommittee Chair Maxine Waters and I along with other members of the committee hope we will be able to get to work immediately with a new leader of HUD who is prepared to perform the role the department should play.”

A key Senator echoed Frank’s message. “President Bush must now nominate a Housing Secretary with the experience and credibility to attack this crisis rather than hide from it,” said Sen. Patty Murray (D-WA), chairman of the appropriations subcommittee that controls HUD spending. “I hope [Jackson’s resignation] signals an end to the neglect of needy tenants and struggling homeowners and the beginning of an administration policy that responds meaningfully to the needs of

both,” said Murray.

Pressure Put on Jackson

Cabinet secretaries serve a constituency of one, the president. And Jackson, though hardly a White House insider, had a strong bond with his boss. He was among the Texans George W. Bush brought to Washington in 2001, first as HUD Deputy Secretary and Chief Operating Officer and then, in 2004, as HUD Secretary. From January 1989 until July 1996, Jackson was President and CEO of the Housing Authority of the City of Dallas and he previously served as Director of the Department of Public and Assisted Housing in Washington, D.C. He also served as executive director of the St. Louis Housing Authority.

As Secretary, he had a contentious relationship with PHAs and other affordable housing advocates. The tensions were most in evidence last year, when members of Congress questioned Jackson about reneging on an agreement about a negotiated rulemaking for the Operating Fund.

“I think there has been deception,” Jackson told the committee. “Not on the part of the housing authorities, but on the part of the leadership of the industry. I’ve capitulated on many points, but they reneged on their end of the bargain. I’ve met with them more than any other Secretary. When I’m dealing honestly, I expect it back. I don’t like dishonest people. I’m speaking on the record. I do not appreciate when you negotiate with me and then you cut my throat and stab me in the back. I’m talking to the three industry groups. I know they’re in the room. I invite them to say how I’ve not kept my end of the

bargain.”

CLPHA executive director Sunia Zaterman responded in a letter to Jackson. “Your characterization of the leadership of the national public housing organizations, in the forum of a congressional hearing, was disparaging, inappropriate and false,” she wrote. “In challenging the integrity and honesty of our organization, your comments do not reflect the facts,” said Zaterman.

Meanwhile, Jackson was charged with defending HUD budgets that industry groups attacked as indefensible. During his tenure, public housing capital and operating funding fell far below what even HUD acknowledged was necessary to administer the program properly. Further, Jackson indicated his support for public housing revitalization but repeatedly requested, as part of HUD budget proposals that were rejected by Congress, the elimination of the HOPE VI program.

Jackson, long a target of critics as the head of a department whose programs were far down the list of administration priorities, faced increasing pressure over the last few weeks to abandon his post.

On March 21, Murray and Sen. Christopher Dodd (D-CT), chairman of the Senate Banking Committee, called for Jackson’s resignation. They cited his unwillingness to answer questions about his management of HUD in recent congressional hearings as the primary reason he should depart.

“Despite four separate allegation of impropriety, as well as damning testimony by senior staff to the HUD Inspector General regarding Secretary Jackson inappropriately advising senior staff to take political affiliation into account in awarding contracts, the Secretary refused to answer le-

(Continued from p. 4)

President Urged to Move Swiftly On Naming Successor to Jackson

(Continued from p. 2)

gitimate Congressional inquiries about his conduct and the use of taxpayer funds at the Department,” Murray and Dodd told President Bush in a March 21 letter. “Last week, in two separate Committee hearings and in a written request, we asked for direct answers from Secretary Jackson regarding his activities in awarding three separate contracts, as well as his involvement in the case of alleged retaliation against the Philadelphia Housing Authority. Secretary Jackson refused to answer our questions, effectively rejecting our oversight role – a role we take seriously.”

Said a March 25 *Washington Post* editorial: “The president’s loyalty is a boon for Mr. Jackson, but the allegations and questions dogging the secretary are many and alarming. It is long past time he offered some

straight answers.” Meanwhile, Jackson and the department he headed are the subject of at least four different investigations. “He leaves behind a trail of unanswered questions about whether he tilted the Housing and Urban Development Department toward Republican contractors and cronies,” reported the Associated Press. Jackson made no mention of those issues in his resignation statement. “There comes a time when one must attend more diligently to personal and family matters. Now is such a time for me,” he said. “I have sought to make America a better place to live, work and raise a family,” said Jackson.

In a statement released following Jackson’s resignation, President Bush said he “accepted his resignation with regret.” Said Bush: “For more than three decades, he has worked to help more Americans become homeowners and

strengthen communities throughout our Nation. While leading the Department of Housing and Urban Development, Alphonso made significant progress in transforming public housing, revitalizing and modernizing the Federal Housing Administration, increasing affordable housing, rebuilding the Gulf Coast, decreasing homelessness, and increasing minority homeownership.”

Presidential candidates Hillary Clinton and Barack Obama offered a different perspective. “Secretary Jackson’s resignation ends a tenure at HUD marked by an indifference to Congressional oversight powers, cronyism, and corrupt contracting practices that have no place in our government,” said Clinton. “Secretary Jackson’s resignation amid a housing crisis and charges of cronyism serves as a stark reminder of what’s at stake in this election,” said Obama. Sen. John McCain, the presumptive Republican presidential nominee, did not comment on Jackson’s resignation. ■

Reaction To Jackson Resignation

“I am very sorry Secretary Jackson defaulted on a great opportunity to serve this country, particularly at a time when HUD should be playing an important role in solving the subprime crisis, restoring housing to the Gulf Coast and taking advantage of opportunities afforded by Congress to revitalize the Hope VI and FHA programs. I am hopeful that the Bush Administration will quickly appoint someone to replace him who will have full authority to provide the leadership that is so desperately needed at HUD.”

Rep. Maxine Waters (D-CA), chair, Financial Services Subcommittee on Housing and Community Opportunity.

“I was proud to work with Secretary Jackson during my time at the agency. I commend him for the work he has done and for willingly leaving his private life to commit himself to public service. His devotion to the agency’s mission was clear and his personal experience helped him to help make the American Dream a reality for many families.”

Former HUD Secretary and Sen. Mel Martinez (R-FL), member of the Senate Banking Committee.

“I urge President Bush to work with the Senate and change his approach to this crisis by appointing a new HUD Secretary who will aggressively address urgent housing issues in America, including the foreclosure crisis.”

House Speaker Nancy Pelosi (D-CA)

“The need for new leadership in the Department is especially urgent for the sake of the people that rely on public housing. My purpose is not to blame anyone, but to get the \$40 million applied to [Philadelphia’s] housing needs for low income families.”

Sen. Arlen Specter (R-PA)



<http://www.calendarlive.com/tv/radio/cl-ow-thornton3apr03,0,5981113.story>

Washington's \$4-billion land grab

Spending public money to shore up real estate prices won't make housing more affordable

By Paul Thornton

April 3, 2008

Congress' election-year scramble to do something -- *something* -- about the housing crisis reminds me of an observation that comedian Lewis Black made way back in the pre-bubble days of 2002: "The only thing worse than a Democrat or a Republican is when these two ... work together."

The Senate bill hashed out Wednesday, in rare bipartisan haste, typifies Black's frustration. In its current form, the bill would provide \$10 billion in tax-exempt bonds to local governments and housing agencies so that they can refinance sub-prime loans. In other words, public dollars would be used to reduce the amount of money troubled borrowers owe on their mortgages.

But what really raised my eyebrows was the following nugget in The Times' April 2 article on the Senate's proposal -- I'll explain why in a bit. From The Times:

Democrats also want the bill to include \$4 billion for local governments to buy and renovate abandoned properties, a provision that could benefit California, which has been hard hit by foreclosures. But that idea is opposed by the Bush administration, which has called it a "bailout to lenders and speculators."

As expected, the \$4 billion in grants to local governments and agencies (along with the \$10 billion in bonds) ended up in the deal that made to the Senate floor Wednesday night. So why is a seemingly ineffectual amount so intriguing? Because local governments and housing agencies would use much of that \$4 billion to convert foreclosed and abandoned homes into affordable housing, and in the process benefit both banks (by buying the languishing properties) and, ostensibly, low-wage renters who wouldn't otherwise be able to buy.

Helping bankers and the poor? Eureka!

Ali Solis -- vice president for public policy at Enterprise Community Partners, a national affordable-housing advocacy group -- concedes that banks will benefit by being able to get rid of distressed properties. But communities blighted by foreclosures stand to be the big winners, she says. Her group estimates that spending \$4 billion would yield \$10 billion in economic activity, restore local governments' lost property taxes and, of course, create a greater supply of affordable housing. Refurbish abandoned homes and sell or rent them for a reasonable price, Solis says, and the ripple effects across neighborhoods hit hardest by foreclosures will be vast.

But as Beacon Economics founder and recent Dust-Up alumnus Christopher Thornberg points out, no one who's interested in owning affordable property (including government agencies) should buy anything right now. Like many observers, apparently including Federal Reserve Chairman Ben Bernanke and the majority of Americans, Thornberg believes that the market still has plenty of value to give back. He estimates that prices will take about

another year or so to bottom out, and until that happens, the \$4 billion for abandoned or foreclosed properties would mostly benefit banks, not the agencies that will own homes that are declining in value.

Personally, I'm not too keen on a government spending public money with one hand to build affordable housing while at the same time spending billions to rescue homeowners whose properties are, well, decreasing in value. You could say that lawmakers tend to oppose affordable housing only when it's the market doing the work.

In the end, none of this could matter -- President Bush has already announced his opposition to the \$4 billion fund. But if this proposal makes it past the president's desk, there's no use arguing over the merits and L.A.'s housing agencies and charities should go for every dime they can get. The FAME Assistance Corp. -- profiled in a March 21 Times editorial -- wants to raise \$50 million to buy repossessed properties and failing mortgages in South L.A. If the feds end up dolling out the \$4 billion, Godspeed to FAME, Enterprise and other local groups in their work.

Afterward, Congress ought to get out of the way of market forces and let home prices drop -- and yes, that does mean more foreclosures. For those of us who don't qualify for government assistance, it's our only shot at affordable housing.

Paul Thornton is an assistant articles editor for The Times' opinion pages. Respond at opinionla@latimes.com.

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April 04, 2007 *2008*

Housing, Land Use and Transportation

For more information, contact DeAnn Baker at 916/327-7500, ext. 509, or dbaker@counties.org or Kiana Buss at 916/327-7500, ext. 566, or kbuss@counties.org.

Housing

AB 29 (Hancock) . Pending

AB 29, as amended on March 27 by Assembly Member Loni Hancock, would require certain Housing and Emergency Shelter

Trust Fund Act of 2006 funds, to be made available to the Department of Housing and Community Development for the purposes of making infrastructure grants for construction or acquisition of capital assets, to qualifying cities, counties, and

cities and counties. The bill would require a project to meet certain listed criteria in order to be eligible for grant funding. This measure is scheduled for a hearing in the Assembly Local Government Committee on April 11.

SB 2 (Cedillo) . Pending

SB 2, as amended on March 19 by Senator Gil Cedillo, would require cities and counties to identify specific sites with by-right zoning to accommodate the community's need for homeless shelters. It would also require cities and counties to

identify zones where special needs facilities and transitional housing are permitted either by right or with a conditional use

permit, and would prohibit a city or county from disapproving applications for shelters and special needs facilities unless

specified findings are made. A more detailed analysis of SB 2 can be found in the March 23 Bulletin.

SB 2 was heard in the Senate Transportation and Housing Committee on March 27 and was passed out of the committee with a vote of 7 to 0. The measure has been re-referred to the Senate Appropriations Committee where it is scheduled for a hearing on April 16.

SB 303 (Ducheny) . Concerns

SB 303, as amended on March 22 by Senator Denise Ducheny, would require cities and counties to update their general plans at least every ten years to accommodate a planning period of at least 20 years. The measure would also expand the housing element planning period from five to 10 years, requiring cities and counties to complete any necessary rezoning to meet their housing needs concurrent with adoption of the housing element, and makes other changes to general plan and housing element law. Again, a more detailed analysis of SB 303 can be found in the March 23 Bulletin. This measure was passed out of the Senate Transportation and Housing Committee on March 27 by a vote of 10 to 0. SB 303 has been re-referred to the Senate Rules committee.

Land Use

AB 414 (Jones) . Pending

AB 414, as introduced by Assembly Member Dave Jones, would limit the manner in which a jurisdiction utilizes, in identifying land suitable for residential development to meet the jurisdiction's share of the regional housing need, vacant sites zoned for nonresidential use that allows residential development and for which the applicable zoning and development

standards allow substantially all of the site to be developed without residential use.

AB 414 is scheduled for a hearing in the Assembly Local Government Committee on April 11.

Public Housing

HUD Plays Hardball With PHA

Pennsylvania: HUD officials reject assumptions by Philadelphia Housing Authority (PHA) attorneys that the agency has been given a one-year reprieve on its Moving-to-Work program. The rebuff in a letter to PHA Executive Director Carl Greene from Deputy Asst. Secy. Dominique Blom alleges the lawyers mischaracterized HUD's intentions.

Blom says HUD has no intentions of extending MTW for a year because of PHA's "refusal to cooperatively negotiate a transition plan left HUD with no alternative but to allow the current MTW agreement to expire. The program agreement ended Mar. 31 and will cost PHA about \$50 million a year plus its flexibility to determine how the agency's money is spent.

The rigid stance stems from a simmering feud between Greene and HUD, specifically outgoing Secy. Alphonso Jackson, over a 26-acre piece of costly property that Jackson insisted PHA sell to a friend at a discount. Greene refused, setting off a chain of events which led to HUD declaring PHAS is not in compliance with the Fair Housing Act over handicapped access. Greene sued Jackson and the issue goes to trial May 20.

Meanwhile, the judge in the case refused to rule in PHA's favor in then agency's request to force HUD to drop its move to scrap MTW, saying there was no evidence HUD was attempting to retaliate against PHA over the lawsuit. The decision in HUD's favor prompted the hard-line stance.

In another move, Sens. Arlen Specter (R-PA) and Robert Casey (D-PA) attempt to broker a solution to the impasse and restore MTW, to no avail. The senators will seek legislation to force HUD to keep PHA in the pilot program.

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The undeveloper

Zev Yaroslavsky says density is not the answer in the drive to build more affordable housing.

By MARC B. HAEFELE

THE DENSITY WARS in Los Angeles are heating up.

On one side are homeowner associations, neighborhood councils and a smattering of politicians. They are becoming increasingly outspoken in their opposition to what they believe is City Hall's insatiable desire to build taller in order to create more housing for a growing city population, now more than 4 million. Such development, they say, is ruining the character of the city's neighborhoods as cars clog streets and big residential buildings wipe out views. They believe a city government that allows this to happen must be in the big developers' pockets.

On the other side are the mayor, most members of the City Council and planning officials. They face an affordable-housing deficit that is exiling big chunks of the city's workforce to the Antelope Valley and San Bernardino County and turning older neighborhoods, such as Pico-Alvarado and parts of East L.A., into slums. About 62% of the city's inhabitants rent, and the monthly payment for a typical one-bedroom unit is more than \$1,400, according to city housing statistics. That's unaffordable to anyone making under \$50,000 a year, given the rule of thumb that a tenant should spend no more than 30% of his or her income on rent. The housing meltdown has made matters worse, as foreclosures push former homeowners into a rental market with a 2.5% vacancy rate.

Into this fray has jumped none other than Zev Yaroslavsky, the L.A. County supervisor who, in 1986, as the youthful hotspur of the City Council, got a citywide initiative, Proposition U, passed that cut in half the size of most new commercial and industrial buildings. Twelve years later, he was responsible for a measure that effectively ended L.A.'s west-bound subway line at Western Avenue. Now he's grabbed the reins of the anti-density stagecoach and is stampeding the horses. Critics wonder why he's putting time and effort into an issue beyond his elected purview — this while the county's health department, probation department and jails face major problems.

What's going on?

Yaroslavsky insists that politics — that is, running for mayor in 2009 — has nothing to do with his born-again anti-development fervor. "My interest," he told me last week, "is simply due to my being a resident of Los Angeles."

Whatever his true motives, some city officials consider Yaroslavsky little more than a meddler because he has had no legal say in how the city grows since 1994, when he was elected to the Board of Supervisors. But the city's anti-development forces have embraced Yaroslavsky, viewing him as an eloquent and effective paladin in their fight to stop the pro-density politicians and planners downtown from trans-

forming Los Angeles into a Manhattan.

Yaroslavsky flatly denies that there's any good in the city's turn to greater density to create more affordable housing. Before cheering neighborhood councils and homeowner associations, he argues that greater density will destroy the ambience of neighborhoods and fill the pockets of developers but will do nothing to add to the city's housing stock. Recently, he took Times columnist Steve Lopez on a city tour to point out what Yaroslavsky considers overdevelopment eyesores.

The supervisor has two primary targets. One is a 3-year-old state statute, known as SB 1818, that allows denser development to create housing. The other is how the city has implemented the measure.

The 2005 law enjoyed rare bipartisan support and overwhelmingly passed both houses of the Legislature. The measure makes it easier to build subsidized housing because cities can roll back zoning requirements to create it, even if constituents object. Developers can build beyond zoned height and area densities if they fold a fixed amount of affordable or moderately priced units into their projects.

The thinking in Sacramento was that a project built under the new law might displace more affordable units than it created, but in the long run it would encourage a new supply of low-end housing, along with more high-end and commercial units.

Under L.A.'s version of the law, which goes into effect this year, a residential developer can build a project 35% bigger if 11% of its units are for low-income residents or 30% of them are moderately priced. That means a new building that would have had 37 units before SB 1818 can now grow to 50 units if six of them are low-income or 15 are moderately priced. The city also encourages mixed-use multistory development along certain boulevard corridors that are now dominated by single-story commercial buildings. And, of course, the bigger the development, the more money there is to be made.

These are the changes that has Yaroslavsky fuming, because he believes that they circumvent his 1986 initiative. "Prop. U is still the law of the city," he insisted to me. "[City Hall is] trying to sneak around it."

But it is SB 1818 that really gets him mad because it is the legal basis for the city's drive to build up and density. "It's a one-size-fits-all approach," he told me, meaning that it doesn't take into account the individuality of neighborhoods.

Before the City Council passed its version of the Sacramento law in February, Yaroslavsky sent council members a list of 10 changes he wanted in the proposed ordinance. The council "met him

more than halfway," a Yaroslavsky spokesman told me, but the supervisor wasn't satisfied because "he's still against the original state law."

Yaroslavsky's anti-development charge has ticked off some council members. "He's balkanizing the city," said Councilman Ed Reyes, who represents the 1st Council District, which includes some of the city's densest neighborhoods.

He says Yaroslavsky has made a career out of slowing development in L.A. and is now "using half-truths to hurt our communities. We [city elected officials] can find the answers by working with our communities to improve them — minus all this noise [from Yaroslavsky]."

City Council President Eric Garcetti is more discreet: Yaroslavsky "has given us some good input. [But] two decades of past city planning neglect got us into this [housing crunch], and very little affordable housing or good planning has resulted. We want well-designed and affordable housing. In a way, SB 1818 is a sideshow next to this [goal]."

According to Reyes, only about 2% of the pending development in the city would be affected by the density-bonus law. Up to "300,000 new units of housing" could be built, he said. Reyes and Garcetti concede this surge in housing could create some neighborhood discord, but both councilmen believe that it can be resolved with some delicate give-and-take.

There's another kind of density not included on Yaroslavsky's guided tours of the city. It highlights the need for SB 1818 and the new housing it can create. This density can be found on the 500 block of South Berendo Street in Pico-Union, in Reyes' district. One of the buildings on the block contains 40 units and is 80 years old. Its pale blue exterior paint only partly hides rotting woodwork underneath. A 400-square-foot unit in this building can cost \$900 a month. The apartment I recently visited had three double beds; the sink and refrigerator were in the living room. Considering the apartment offered 50 or 60 square feet a person at full occupancy, it was neat and clean, but irredeemably run down.

"This is what we call invisible density," Jaime Rojas of the Latino Urban Forum said. "To say that it doesn't exist is wrong." Hundreds of thousands of people live in such apartments in L.A.

These are precisely the kinds of buildings that will be replaced under SB 1818 to create more affordable housing. Minus that law, the owner could demolish the building and replace it with one whose units would go at market rates. Currently, the city loses about 12,000 affordable apartment units a year to demolition, according to the Coalition for Survival, a renters' advocacy group. And there is no city requirement that a single affordable unit be replaced.

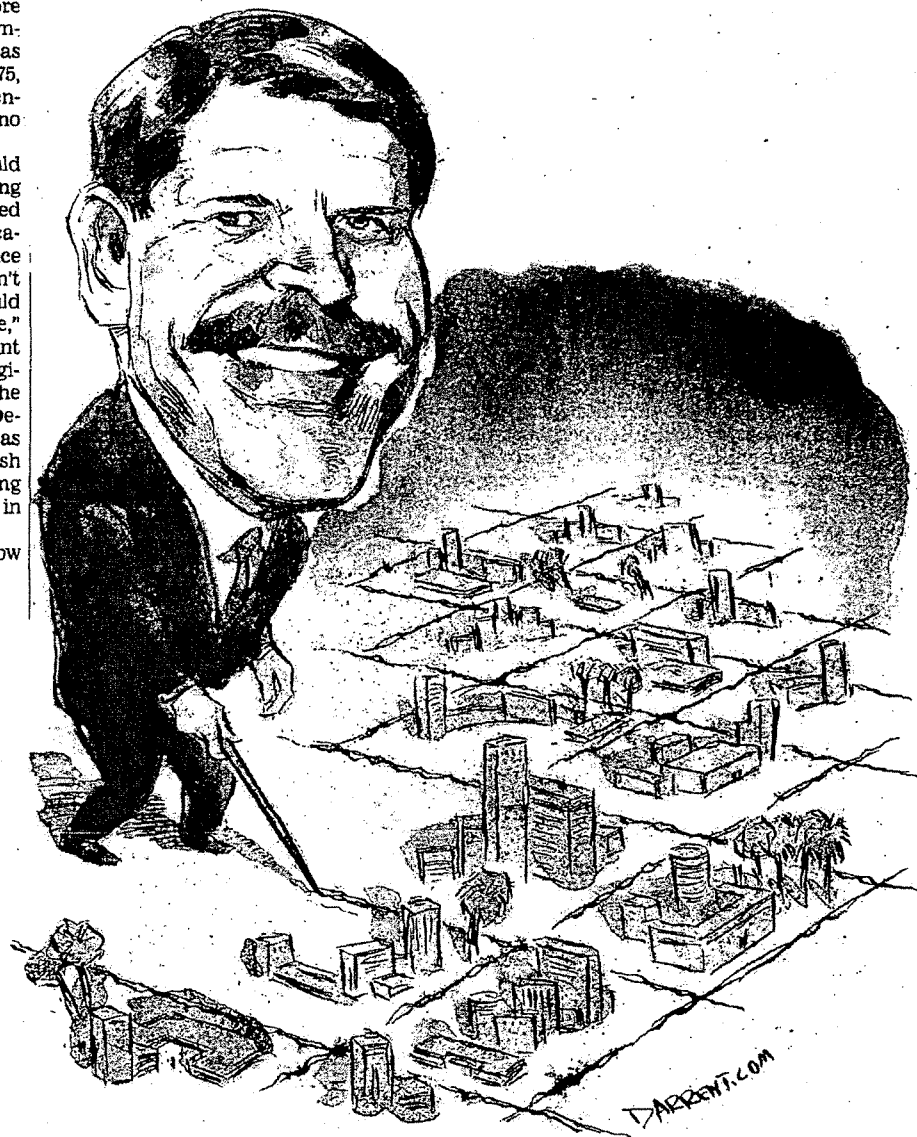
Reyes sees the rising anti-density fervor in the city as veiled opposition to finding suitable affordable-housing sites outside low-income ghettos. Two years ago, he said, affordable housing was a central theme at City Hall. L.A. voters nearly passed Proposition H, a billion-dollar housing bond that could have built 10,000 apartment units a year. Officials in the mayor's office promised to put it back on the ballot as soon as this year, but it seems to have died.

Yes, neighborhood voices, including Yaroslavsky's, should not be ignored as L.A. struggles to build more affordable housing. But the city has added more than a million people, many of them immigrant poor, since Yaroslavsky was first elected to the City Council in 1975, and that has spawned the kind of density found on South Berendo — and no downtown developer created that.

I asked Yaroslavsky how he would remedy the city's affordable-housing crisis without SB 1818. He suggested low-income housing be built at locations that would not mar the ambience of neighborhoods, though he didn't specify any. I asked him how he would pay for it. "There are funds available," he replied, citing federal block grant money and county money that originates from such federal agencies as the Department of Housing and Urban Development. Such funding, however, has been scarce since the dawn of the Bush administration. Nonprofit housing groups say it started disappearing in the Reagan years.

Yaroslavsky didn't seem to know this.

MARC B. HAEFELE is a commentator for KPCC-FM (89.3) and writes for *Citybeat*, *Citywatch* and *Nomada* magazine of Buenos Aires.





**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

April 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE AGREEMENT WITH SIMPSON & SIMPSON, CPAS FOR FINANCIAL
AUDIT SERVICES (ALL DISTRICTS)**

SUBJECT

A one year agreement is to be made with Simpson & Simpson, CPAs for financial audit services, with two option years.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the approval of a one-year agreement for Financial Audit Services is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve the expenditure of an aggregate of up to approximately \$211,863 for financial auditing services provided to the Housing Authority under the attached Agreement for Financial Audit Services (Agreement) between the Community Development Commission of the County of Los Angeles and Simpson & Simpson, CPAs, if fully extended.
3. Recommend that the Board of Commissioners approve the expenditure of additional funds of up to \$60,000 for any unforeseen, needed financial audit services.



PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to approve the Agreement with Simpson & Simpson, CPAs to provide the audit services needed to comply with the financial and program requirements mandated by Commission and Housing Authority funding sources.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The maximum aggregate amount for all years of the Agreement, if fully extended, will be \$307,048. It is forecast that this total amount will be comprised of approximately \$95,185 for the Commission and approximately \$211,863 for the Housing Authority. The total, yearly aggregate costs of the financial auditing services are set under the terms of the Agreement; however, costs apportioned to the Commission and Housing Authority may vary from the individual forecast amounts, depending on the needed auditing services.

Costs associated with the first year of services under the Agreement will be incurred in an amount not to exceed an aggregate of \$98,800 comprised of approximately \$30,628 for the Commission and approximately \$68,172 for the Housing Authority. The Commission and Housing Authority will request approval of these funds through the annual budget process.

After the first year, the Agreement may be extended for an additional two years, in one-year increments, in the amount of \$102,368 and \$105,880 respectively. Year two of the Agreement will be comprised of approximately \$31,734 for the Commission and approximately \$70,634 for the Housing Authority. Year three of the Agreement will be comprised of approximately \$32,823 for the Commission and approximately \$73,057 for the Housing Authority. The Commission and Housing Authority will request approval of these funds through the annual budget process.

An approximate 20% contingency, in the maximum aggregate amount of \$60,000, is also being set aside for unforeseen, needed financial audit services.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Commission currently contracts for financial auditing services under a multi-year contract. The Agreement will replace the expiring multi-year contract with a one-year Agreement, which may be extended in one-year increments, for a total of two additional years, at the sole discretion of the Commission.

The Agreement provides for Simpson & Simpson, CPAs to conduct financial audits of Fiscal Year 2007-2008 financial statements. The audits will focus on internal controls over federal financial assistance and compliance with program requirements. This will include all funds and account groups of the Commission and the Housing Authority, including single audits of all federal grants and statements relating to redevelopment activities.

Simpson & Simpson, CPAs will provide a statement regarding financial compliance with existing redevelopment laws and regulations. The firm will also prepare a Comprehensive Annual Financial Report, as required by the Governmental Accounting Standards Board, and all other reports specified in the Agreement and required by law. Simpson & Simpson, CPAs will advise the Commission and the Housing Authority concerning methods of improving systems of internal accounting and operating controls, the appropriateness of new procedures, and provide recommendations and assistance as necessary. Should Simpson & Simpson, CPAs require additional or replacement personnel during the term of the Agreement, it will give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program and General Relief Opportunity for Work (GROW) Program who meet the minimum qualifications for the open positions. Simpson & Simpson, CPAs will contact the County's GAIN/GROW Division for a list of participants by job category.

The attached Agreement has been approved to form by County Counsel and executed by Simpson & Simpson, CPAs.

CONTRACTING PROCESS:

On June 15, 2007, the Commission initiated an outreach program to identify qualified firms to provide financial auditing services for both the Commission and the Housing Authority. Notices of the availability of the Request for Proposals (RFP) were mailed to 12 firms identified from the Commission and Housing Authority's vendor list and firms with public sector auditing experience from the Los Angeles Business Journal's 2007 list of top 100 Certified Public Accountant firms. The availability of the RFP was also advertised in seven local newspapers and posted on the County's WebVen website.

A total of two proposals were received by the extended submission deadline of July 24, 2007. The proposals were evaluated by a review panel comprised of three representatives from the Commission, one representative from the County Auditor-Controller and a retired accounting manager from the Commission. The panel is recommending that Simpson & Simpson, CPAs be awarded the Agreement based on the criteria set forth in the RFP and consensus scoring.


The Summary of Outreach Activities is provided as Attachment A.

The Summary of Outreach Activities is provided as Attachment A.

IMPACT ON CURRENT PROGRAMS:

The Agreement will provide continuation of mandated audit services for both financial and programmatic compliance.

Respectfully submitted,

for 
CARLOS JACKSON
Executive Director

Attachments: 1

ATTACHMENT A

Summary of Outreach Activities

On June 15, 2007, the following outreach was initiated to identify a firm to provide financial audit services to the Community Development Commission and the Housing Authority under a one-year agreement, with an additional two-year extension, in one-year increments, effective with the Fiscal Year 2007-2008 financial statements.

A. Newspaper Advertising

Announcements appeared in the following seven local newspapers:

Eastern Group Publications
International Daily News
La Opinion
Los Angeles Sentinel

Los Angeles Times
The Daily News
Wave Community Newspapers

B. Distribution of Request for Proposal Packages

The Commission and Housing Authority's vendor list and the Los Angeles Business Journal's 2007 list of top 100 Certified Public Accountant firms were used to identify 12 firms with public sector auditing experience. Notices of the availability of the Request for Proposals (RFP) were mailed to these firms. In addition, the RFP was posted on the County's WebVen website.

C. Proposal Results

A total of two proposals were received by the extended submission deadline of July 24, 2007.

A review panel comprised of three representatives from the Commission, one representative from the County Auditor-Controller and a retired accounting manager from the Commission evaluated the proposals. Simpson & Simpson, CPAs was selected for recommendation of award of Agreement based on the criteria set forth in the RFP and consensus scoring.

<u>Firm</u>	<u>Evaluation Score</u>
Simpson & Simpson, CPAs**	833.0
Vasquez & Co. LLP**	806.0

**Minority-owned firm

D. Minority/Female Participation - Firm Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Simpson & Simpson, CPAs	Minority	Total: 47 45 minorities 23 women 96% minorities 49% women

E. Minority/Female Participation - Firms Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Vasquez & Co, LLP	Minority	Total: 48 46 minorities 24 women 96% minorities 50% women

The Commission encourages the participation of minorities and women in the contract award process, by providing information about the Commission at local and national conferences, conducting seminars for minorities and women regarding programs and services, advertising in newspapers to invite placement on the vendor list, and mailing information to associations which represent minorities and women. The above information has been voluntarily provided by the firms, which participated in the outreach program.

The recommendation to award the Agreement for Financial Audit Services to Simpson & Simpson, CPAs is being made in accordance with federal regulations, and without regard to race, creed, color, gender, or sexual orientation.



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Gloria Molina
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Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

April 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**CONCURRENCE TO APPROVE THREE CONSTRUCTION CONTRACTS AND TWO
ENVIRONMENTAL ASSESSMENT AND REMEDIATION AGREEMENTS FOR
MODERNIZATION OF EIGHT ELEVATORS AT THREE HOUSING AUTHORITY
SENIOR HOUSING DEVELOPMENTS (2,3)**

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Concur with the Board of Supervisors/Commissioners action and find that the approval of construction contracts and environmental assessment and remediation agreements for modernization of eight elevators at South Bay Gardens located in the unincorporated area of Los Angeles County, Marina Manor I and II located in Marina Del Rey, and Palm Apartments located in West Hollywood is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Concur with the Board of Supervisors/Commissioners action to approve and authorize the Executive Director to execute three construction contracts (Contracts) in the aggregate amount of \$2,273,000, in substantially the form of the attached, and all related documents, with ML Construction, to modernize eight elevators at the following three senior housing developments: South Bay Gardens located in the unincorporated area of Los Angeles County, Marina Manor I and II located in Marina Del Rey, and Palm Apartments located in West Hollywood, to be effective following execution by all parties and the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.



3. Concur with the Board of Supervisors/Commissioners action to approve and authorize the Executive Director to execute two environmental assessment and remediation agreements (Agreements) in the aggregate amount of \$160,000, in substantially the form of the attached, and all related documents, with Rincon Consultants, Inc., for environmental assessment services related to the modernization of six elevators at the following two senior housing developments: Marina Manor I and II and Palm Apartments, to be effective following execution by all parties and the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.
4. Concur with the Board of Supervisors/Commissioners action to authorize the Executive Director to use a maximum aggregate amount of \$2,433,000 in Capital Fund Program (CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) for the purposes described herein, and authorize the Executive Director to approve Contract change orders not to exceed \$486,600 for unforeseen project costs, using the same source of funds.
5. Concur with the Board of Supervisors/Commissioners action to authorize the Executive Director to incorporate up to \$2,919,600 in CFP funds into the Housing Authority's approved Fiscal Year 2007-2008 budget, for the purposes described above.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to award three Contracts for the modernization of eight elevators at three senior housing developments at South Bay Gardens in the unincorporated area of Los Angeles County, Marina Manor I and II in Marina Del Rey, and Palm Apartments in West Hollywood, and to award two Agreements for environmental assessment and remediation services related to the modernization of six elevators located at Marina Manor I and II and Palm Apartments.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The Housing Authority will fund the elevator modernization project with \$2,433,000 in CFP funds allocated by HUD. A 20% contingency, in the amount of \$486,600, is also being set aside for unforeseen costs, using the same source of funds. A total of up to \$2,919,600 in CFP funds will be incorporated into the Housing Authority's approved Fiscal Year 2007-2008 budget, for the purposes described above.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The eight elevators at the three senior housing developments are original to each of the buildings. The three-story, 100-unit South Bay Gardens senior housing development was built in 1982 and has two elevators. The four-story, 71-unit Marina Manor I, and eight-story, 112-unit Marina Manor II, were built in 1983 and have a total of four elevators. The five-story, 127-unit Palm Apartments was built in 1978 and has two elevators.

The conditions of the eight elevators are as follows:

- South Bay Gardens: Both elevators show deterioration, corrosion and severe need of controls modernization; the door operation and floor-to-floor performance is very poor, and the elevator pits are prone to water seepage because the waterproofing of the walls has been compromised due to age.
- Marina Manor I: One of the two elevators is out of service due to an oil leakage from the hydraulic cylinder assembly; there is a need of controls modernization, and the door operation and floor-to-floor performance of the second elevator is very poor.
- Marina Manor II: There is a need of controls modernization; and the door operation and floor-to-floor performance is very poor in both elevators.
- Palm Apartments: One of the two elevators is out of service due to an oil leakage from the hydraulic cylinder assembly; there is a need of controls modernization, and the door operation and floor-to-floor performance of both elevator is very poor.

The existing conditions could result in closure of the elevators. This would place an immediate and substantial hardship on many of the senior and disabled residents who would have difficulty using the stairs to get to their units, resulting in their temporary relocation until the elevators could be replaced. Additionally, all three sites have high water tables, and leaking hydraulic fluid in the elevator shafts could contaminate groundwater.

For these reasons, the Housing Authority determined that the situation is urgent, and that an elevator construction contractor needed to be procured to modernize the elevators. In order to meet residents' needs, eliminate potential risks, and avoid relocation costs, Housing Authority staff has determined that regular procurement requirements be set aside and that contracts for the consecutive modernization of the elevators be executed as quickly as possible.

The Housing Authority selected contractors to accomplish these tasks based on past performance and ability to perform the required tasks immediately. Selection of these contractors conforms to the Housing Authority's guidelines for non-competitive procurement.

It is anticipated that the project will be completed within 180 calendar days following the Notice to Proceed.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program and General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, the Contractors will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The three Contracts and two Agreements have been approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION:

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 and 15330 because it does not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS:

Due to the urgent nature of this project, the Housing Authority followed its procurement policy as it relates to noncompetitive proposals. In this case, a contract may be awarded by noncompetitive proposals because the present situation, which arose by reason of equipment failure, seriously threatens the public safety and endangers property. In addition, there is an immediate and serious need for contractual services, which cannot be met by regular procurement procedures.

The Housing Authority referred to its list of eligible contractors for firms available to perform this work immediately. The Housing Authority will execute three Contracts with ML Construction for the construction-related work at all three senior housing developments.

The Housing Authority will execute two Agreements with Rincon Consultants, Inc. for environmental assessment and remediation services at Marina Manor I and II and Palm Apartments, if additional environmental assessment services are required and/or environmental contamination is discovered during the assessment.

ML Construction was selected because the firm's equipment delivery time is nearly three months faster than the other firms contacted. Both contractors are fully qualified to perform the work required, and are available to begin immediately following Board approval.

IMPACT ON CURRENT PROJECT:

The award of the three Contracts and two Agreements will provide for the modernization of eight elevators at three senior housing developments.

Respectfully submitted,

for Rosalette A. Glover
CARLOS JACKSON
Executive Director

Attachments: 2

SOLE SOURCE CHECKLIST

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS <i>Identify applicable justification and provide documentation for each checked item.</i>
	➤ Only one bona fide source for the service exists; performance and price competition are not available.
	➤ Quick action is required (emergency situation).
	➤ Proposals have been solicited but no satisfactory proposals were received.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best interest of the County, e.g., administrative cost savings, excessive learning curve for a new service provider, etc.
	➤ Other reason. Please explain:
<div style="display: flex; justify-content: space-between;"> <div data-bbox="110 1835 669 1877">_____ Deputy Chief Executive Officer, CEO</div> <div data-bbox="987 1835 1154 1877">_____ Date</div> </div>	

Contract Summary

Project Name: Elevator modernization
Locations: South Bay Gardens, 230 East 130th Street, unincorporated Los Angeles County
Marina Manor I and II, 3401 & 3405 Via Dolce, Marina Del Rey
Palm Apartments, 959 North Palm Avenue, West Hollywood
Bid Number: Not Applicable
Bid Date: Not Applicable
Contractors: ML Construction and Rincon Consultants, Inc.
Services: Construction services and environmental assessment and remediation services for elevator modernization

Construction Contract Documents: Part A – Instructions to Bidders and General Conditions, Part B – Specifications, Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder

Agreement Documents: Attachment A – Billing Rates and Attachment B - Safely Surrendered Baby Law and Poster

Time of Commencement: The work shall commence following receipt of written Notices to Proceed from the Housing Authority.

Aggregate Contract Sum: The Housing Authority shall pay ML Construction for the performance of the construction contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Two Million Two Hundred Seventy-Three Thousand Dollars and Zero Cents (\$2,273,000)**, and shall pay Rincon Consultants, Inc., for the environmental assessment and remediation services contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **One Hundred Sixty Thousand Dollars and Zero Cents (\$160,000.00)**.

Contract Contingency: ML Construction - \$454,000.00
Rincon Consultants, Inc. - \$32,000.00



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

April 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**HEARING TO APPROVE THE 2008-2009 ACTION PLAN FOR THE ALLOCATION OF
FEDERAL FUNDS (ALL DISTRICTS)**

SUBJECT:

This Board Letter is to approve the Fiscal Year 2008-2009 Action Plan to enable the County of Los Angeles to apply for, receive and administer Community Development Block Grant, HOME Investment Partnerships, American Dream Downpayment Initiative Act, and Emergency Shelter Grant program funds from the U.S. Department of Housing and Urban Development for housing and community development activities in the 47 participating cities and the unincorporated areas of the Los Angeles Urban County.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners authorize the Housing Authority of the County of Los Angeles (Housing Authority) to accept from the County of Los Angeles an estimated \$2,008,511 in Fiscal Year 2008-2009 Community Development Block Grant (CDBG) funds, and to continue administration of \$1,737,704 in prior year CDBG funds, which will be requested for incorporation into the Housing Authority's Fiscal Year 2008-2009 budget through the Housing Authority's annual budget approval process, subject to final notification of approval by the U.S. Department of Housing and Urban Development (HUD).

2. Recommend that the Board of Commissioners authorize the Executive Director of the Housing Authority to request the incorporation of \$2,008,511 into the Housing Authority's Fiscal Year 2008-2009 budget through the Housing Authority's annual budget approval process, subject to final notification by HUD.
3. Recommend that the Board of Commissioners authorize the Executive Director or his designee to execute CDBG Reimbursable Contracts with the County of Los Angeles, attached in substantially final form, to provide funding for the activities described herein, to be effective following approval as to form by County Counsel and execution by all parties.
4. Recommend that the Board of Commissioners authorize the Executive Director or his designee to execute CDBG Reimbursable Contract Amendments with the County of Los Angeles, attached in substantially final form, to extend the contracts through June 30, 2009 for projects at the Nueva Maravilla and Carmelitos housing developments and the Bright Futures Childcare Center, using \$1,737,704 in prior-year CDBG funds, to be effective following approval as to form by County Counsel and execution by all parties.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The National Affordable Housing Act (NAHA) of 1990 (Cranston/Gonzalez Housing Act), as amended in 1992, requires that the County of Los Angeles provide a single, consolidated submission of the proposed expenditure of funds to be eligible for HUD formula grant funding, including CDBG, HOME Investment Partnerships (HOME), American Dream Downpayment Initiative Act (ADDI), and Emergency Shelter Grant (ESG). The Action Plan for Fiscal Year 2008-2009 (Fiscal Year) satisfies these federal requirements to provide for the release of funds.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The Action Plan allocates an estimated \$2,008,511 in new Thirty-fourth Program Year (July 1, 2008 to June 30, 2009) CDBG funds that will be incorporated through the Fiscal Year 2008-2009 Housing Authority budget approval process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On May 27, 2003, the Board approved the Five-Year Consolidated Plan for 2003-2008 and the Fiscal Year 2003-2004 Action Plan. These documents have been updated as required by HUD. The current Consolidated Plan, and Fiscal Year 2007-2008 Action Plan

end on June 30, 2008, and new plans must be adopted by the Board in order to receive continued funding from HUD. The Action Plan includes a description of the activities to be undertaken during the 2008-2009 Fiscal Year to address the objectives of the Consolidated Plan's five-year strategy. A list of the Housing Authority projects included in the Action Plan is provided as Attachment A.

All public notice requirements contained in 24 Code of Federal Regulations Part 91 Section 91.105 of the NAHA for approval of the Action Plan have been satisfied. A total of five community meetings were held in September 2007. Comments received at these meetings have been incorporated into the Action Plan and posted on the Commission website in late April 2008 to update the public regarding the comments received earlier at the meetings.

Notice of the 30-day public comment period and public hearing was published on April 25, 2008 in newspapers of general circulation throughout the County, and copies of the draft Action Plan were made available for public review at 29 libraries. The public comment period will conclude on May 27, 2008, the day of the public hearing.

All of the projects proposed in the Action Plan are being federally funded. As applicable, the administering agencies will be subject to the prevailing wage requirements of the Davis-Bacon Act and related Acts and Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance. However, where Section 3 is not applicable, the agencies will be subject to the County's Greater Avenues for Independence (GAIN) Program and General Relief Opportunity for Work (GROW) Program, which furthers the same or similar goals.

This letter has been reviewed by County Counsel. Similar letters are also being submitted to the Board of Supervisors and to the Board of Commissioners of the Community Development Commission for the May 27, 2008 Board meeting, for concurrent approval.

ENVIRONMENTAL DOCUMENTATION:

The Action Plan is exempt from the provisions of the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(1), because it is a planning document and does not involve activities that will alter existing environmental conditions. The Action Plan is not subject to the provisions of the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

Each program within the Action Plan will be reviewed for environmental impact on a project-by-project basis before funding is released.

IMPACT ON CURRENT PROJECTS:

The projects contained in the Action Plan will benefit low- and moderate-income residents of the unincorporated County and participating cities.

Respectfully submitted,

for 
CARLOS JACKSON
Executive Director

Attachments: 1

ATTACHMENT A

HOUSING AUTHORITY PROJECTS FOR FISCAL YEAR 2008-2009

	PROJECTS (New Funding)	
Project Title (District)	Project Description	Funding
Sheriff's Youth Intervention Program I Nueva Maravilla (First)	Provides for full time deputy for after-school enrichment/recreational programs; gang violence prevention education; community service projects for approximately 25 youths (ages 9-18)	\$80,000
South Scattered Sites Exterior Painting (Second)	Provides funding to paint, patch, stucco, replace and/or replace fascia boards and other repairs as needed at five (5) South Scattered Sites.	\$190,000
South Scattered Sites Gate Replacement (Second)	Replacement of existing gate operators with new operators in eight (8) South Scattered Sites. Funds will be used to purchase, deliver and install the new gates.	\$250,000
Southbay Gardens Interior Unit Flooring (Second)	Replacement of deteriorated flooring (carpet and tile) with new flooring in 65 units at Southbay Gardens.	\$230,000
Southbay Gardens Commercial Kitchen (Second)	Enhancement and upgrade of existing undersized and inadequate residential grade kitchen into commercial grade kitchen to provide meal plans for senior residents at this housing development.	\$220,000
Magic Johnson Inventor Center at Ujima Village (Second)	Computer center that provides information technology consultation; and computer access to advance education training of residents at Ujima Village.	\$50,000
Closed Circuit Television (CTTV) Systems (Countywide)	Installation and maintenance of closed circuit television systems as deterrent to crime and improving quality of life of public housing residents.	\$100,000
Carmelitos Senior Elevators (Countywide)	Repair and upgrade of two deteriorating elevators at the Carmelitos Seniors Housing Development.	\$291,666

HOUSING AUTHORITY PROJECTS FOR FISCAL YEAR 2008-2009 (Continued)

	PROJECTS (New Funding)	
Project Title (District)	Project Description	Funding
Sheriff Countywide Prevention and Intervention Deputy (Countywide)	Provision of a full time deputy to coordinate and administer all Community Policing Programs and prevention and intervention programs at all the housing sites.	\$184,922
Family Resource Centers (Countywide)	Provision of supportive and clinical services (family and individual counseling; academic and career counseling; drug awareness; parenting skills programs; conflict resolution, truancy prevention, etc.) to 200 residents/tenants.	\$411,923
	TOTAL	\$2,008,511

	CONTINUING PROJECTS (Prior Year Funding)	
Project Title (District)	Project Description	Funding
Nueva Maravilla Termite Abatement I (First)	Termite abatement and elimination of dry rot by repairing the wood components in the residential units and in common areas.	\$250,000
Bright Futures Childcare Rehabilitation I (Second)	Development of the Bright Futures Child Care Center which includes rebuilding modular units that serve as a child care center operated by the L.A. Child Development Consortium. Upon completion, the facility will serve 92 children.	\$280,000
Bright Futures Childcare Rehabilitation II (Countywide)	Development of the Bright Futures Child Care Center which includes rebuilding modular units that serve as a child care center operated by the L.A. Child Development Consortium. Upon completion, the facility will serve 92 children.	\$231,000
Carmelitos Stairways Renovation II (Fourth)	Replacement and rehabilitation of deteriorated stairways in 469 family units at the Carmelitos housing development.	\$976,704
	TOTAL:	\$1,737,704



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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

April 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**RESOLUTION AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING
MORTGAGE REVENUE BONDS FOR THE SIERRA BONITA APARTMENTS IN
THE CITY OF WEST HOLLYWOOD (3)**

SUBJECT

This letter requests that your Board authorize the issuance, sale and delivery of Multifamily Housing Mortgage Revenue Bonds to finance the site acquisition and construction of the 42-unit Sierra Bonita Apartments, to be located at 7530 Santa Monica Boulevard in the City of West Hollywood.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the approval of a resolution authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles to finance the site acquisition and construction of the 42-unit Sierra Bonita Apartments is not subject to the California Environmental Quality Act (CEQA) because the proposed action will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners adopt a resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles, in an aggregate amount not exceeding \$11,000,000, to assist 7530 Santa Monica L.P. (Developer) in financing the site acquisition and construction of the 42-unit Sierra Bonita Apartments (Project), to be

located at 7530 Santa Monica Boulevard in the City of West Hollywood.

3. Recommend that the Board of Commissioners authorize the Executive Director to execute all related documents and take all necessary actions for the Developer to finance the site acquisition and construction of the Project.
4. Recommend that the Chair of the Board of Commissioners sign the attached resolution for the purposes described above.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to authorize the issuance, sale and delivery of Multifamily Housing Mortgage Revenue Bonds, in an aggregate amount not to exceed \$11,000,000, to finance the site acquisition and construction of the Project. This action will also allow the bonds to qualify for a tax exemption under Section 103 of the Internal Revenue Code of 1986.

FISCAL IMPACT/FINANCING:

No County costs will be incurred. The Developer will pay all fees and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Housing Authority issues Multifamily Housing Mortgage Revenue Bonds on an ongoing basis to provide financing to increase the supply of multifamily housing for very low-, low-, and moderate-income families throughout Los Angeles County.

On December 18, 2007, the Housing Authority conducted a public hearing regarding the issuance of bonds to finance the project, as authorized by Section 147(f) of the Internal Revenue Code of 1986, at its office located at 2 Coral Circle in the City of Monterey Park. No comments were received at the public hearing concerning the issuance of the bonds or the nature and location of the project.

On December 19, 2007, the Housing Commission recommended approval of the Inducement Resolution of Multifamily Housing Mortgage Revenue Bonds for the construction of the Project.

On January 8, 2008, the Housing Authority adopted an Inducement Resolution declaring the intent of the Housing Authority to undertake the financing of a Multifamily Housing Mortgage Revenue Bond project in accordance with United States Treasury Department Regulations. This action established a base date after which costs incurred by the Developer for the project could be included in the acquisition, construction and permanent financing obtained pursuant to the issuance of tax-exempt bonds.

The Project will consist of 42 multifamily rental units, including one manager's unit, at 7530 Santa Monica Boulevard in the City of West Hollywood. Thirteen of the units will be reserved for households with incomes that do not exceed 30% of the Area Median Income (AMI) for the Los Angeles-Long Beach Metropolitan Statistical Area (MSA), adjusted for household size, as determined by the U.S. Department of Housing and Urban Development (HUD). Twenty-eight of the units will be reserved for households with incomes that do not exceed 50% of the AMI. The manager's unit will have no affordability requirements. These requirements will remain in effect for 55 years.

The attached resolution has been prepared by Orrick, Herrington & Sutcliffe, Bond Counsel to the Housing Authority, and has been approved as to form by County Counsel. All other related documents, in substantially final form, are on file with the Executive Office of the Board of Commissioners. They will be approved as to form by County Counsel prior to execution by the authorized parties.

ENVIRONMENTAL DOCUMENTATION:

The proposed actions are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

An Environmental Assessment was prepared for the Sierra Bonita construction project pursuant to the requirements of the National Environmental Policy Act of 1969 (NEPA). Based on the conclusions and findings of the Environmental Assessment, a Finding of No Significant Impact was approved by the Commission on July 26, 2007. Following the required public and agency comment period, HUD issued a Release of Funds for the project on August 11, 2007.

As a Responsible Agency, and in accordance with the requirements of California Environmental Quality Act (CEQA) Guidelines, the Commission reviewed the IS/ND prepared by the City of West Hollywood for the construction project and determined that the project will not have significant adverse impact on the environment. The Commission's consideration and approval of the IS/ND on September 11, 2007, and filing of the Notice of Determination, satisfies CEQA Guidelines as stated in Article 7, Section 15096.

Honorable Housing Commissioners
April 23, 2008
Page 4

IMPACT ON CURRENT PROJECT:

The proposed action will increase the supply of affordable housing in the County.

Respectfully submitted,

for Bessette A. Glover
CARLOS JACKSON
Executive Director

Attachments: 1

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$11,000,000 FOR THE PURPOSE OF MAKING A LOAN TO PROVIDE FINANCING FOR A MULTIFAMILY RENTAL HOUSING PROJECT KNOWN AS SIERRA BONITA APARTMENTS PROJECT, DETERMINING AND PRESCRIBING CERTAIN MATTERS RELATING THERETO, AND APPROVING AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS, AGREEMENTS AND ACTIONS.

WHEREAS, the Housing Authority of the County of Los Angeles ("the Authority") is authorized and empowered by the provisions of Section 34312.3 of the Health and Safety Code of the State of California (the "Act") to issue and sell revenue bonds for the purpose of making loans or otherwise providing funds to finance the acquisition and construction of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Act; and

WHEREAS, there has been prepared and presented to this Board for consideration at this meeting the documentation required for the issuance of bonds for the financing of the Sierra Bonita Apartments Project (the "Project"); and

WHEREAS, it appears that each of the documents and instruments above referred to which are now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the County of Los Angeles, as follows:

1. It is hereby found and determined that it is necessary and desirable for the Authority to provide financing for the Project through the issuance and sale of the Bonds (as hereinafter defined) in order to assist in the acquisition and development of the type of dwelling units provided by the Project.

2. For the purpose of raising moneys with which to effectuate financing for the Project, the Authority hereby determines to issue its Multifamily Housing Revenue Bonds (Sierra Bonita Apartments Project), 2008 Series A, in one or more series, each with an appropriate series designation (the "Bonds"), in an aggregate principal amount not to exceed \$11,000,000. The Bonds shall bear interest at the interest rates set forth in or determined in accordance with a master pledge and assignment (the "Master Pledge and Assignment"), maturing as provided in the Master Pledge and Assignment, but not later than 35 years from the date of issue. The Bonds shall be in substantially the form set forth in the Master Pledge and Assignment, with such appropriate variations, omissions, insertions and provisions as are permitted or required by the

Master Pledge and Assignment, which shall be appropriately completed when the Bonds are prepared.

The Bonds shall be limited obligations of the Authority payable solely from the revenues, receipts and other moneys pledged therefor under the Master Pledge and Assignment.

3. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of this Board and attested with the manual or facsimile signature of the Executive Officer of this Board.

4. The proposed form of Master Pledge and Assignment, in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Master Pledge and Assignment, in substantially said form, with such additions thereto or changes therein as such officer may approve or recommend upon consultation with counsel to the Authority and Bond Counsel to the Authority (provided that such additions or changes shall not authorize an aggregate principal amount of Bonds in excess of the amount stated above or result in an initial interest rate on the Bonds in excess of [9]%), the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Master Pledge and Assignment. The date, maturity dates, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the bonds shall be as provided in the Master Pledge and Assignment as finally executed.

5. The proposed form of Master Agency Agreement (the "Master Agency Agreement"), in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Master Agency Agreement, with such additions or changes in said document as such officer may recommend or approve upon consultation with counsel to the Authority and Bond Counsel to the Authority, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Master Agency Agreement.

6. The proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Regulatory Agreement, with such additions or changes in said document as such officer may recommend or approve upon consultation with counsel to the Authority and Bond Counsel to the Authority, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Regulatory Agreement.

7. This Board hereby appoints the Executive Director of the Authority or his or her Deputy or designee as administrator/manager with respect to the Project and other matters arising in connection with the Bonds (the "Administrator").

8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project or any redemption of the Bonds, may be given or taken by the Administrator without further authorization by this Board, and the Administrator is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this resolution.

9. All actions heretofore taken by the officers and agents of the Authority with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to those described in the Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority.

10. All resolutions or parts thereto in conflict herewith are, to the extent of such conflict, hereby repealed.

11. This resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles, State of California, this ____ day of _____, 2008, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____

Chair of the Board
of Commissioners

ATTEST:

Sachi A. Hamai
Executive Officer
of the Board of Commissioners

By: _____

Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____

Deputy



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson

Executive Director

April 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES
FISCAL YEAR 2008-2009 BUDGET**

SUBJECT

This letter requests that your Board approve the Fiscal Year 2008-2009 Budget of the Housing Authority. The U.S. Department of Housing and Urban Development requires that the Board of Commissioners approve the Fiscal Year 2008-2009 Budget for continued operation of the Assisted Housing Division, Housing Management Division, and eight residential and community assistance programs.

IT IS REQUESTED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners adopt and sign a Resolution (Attachment A) approving the Housing Authority of the County of Los Angeles (Housing Authority) Fiscal Year 2008-2009 Budget (Budget), which includes revenues and expenditures of \$294,058,500.
2. Recommend that the Chair of the Board of Commissioners sign the related Transmittal Resolution (Attachment B) certifying submission of the budget by the Board to the U.S. Department of Housing and Urban Development (HUD).
3. Recommend that the Board of Commissioners adopt and sign a Resolution (Attachment C) approving the cost allocation model developed in conjunction with the Housing Authority's outside auditors, Klynveld Peat Marwick Goerdeler (KPMG) in April 2002.

4. Recommend that the Board of Commissioners approve amendment of the Housing Authority's Monthly Salary Schedule (Attachment D), to incorporate a 5% adjustment of the top of the salary ranges for all classifications and levels, effective July 1, 2008.
5. Recommend that the Board of Commissioners instruct the Executive Director to implement the Budget and take all related actions, including execution of all required documents, for the purposes described herein, following approval as to form by County Counsel.
6. Recommend that the Board of Commissioners find that the approval of the Budget is not subject to the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to approve the Fiscal Year 2008-2009 Budget of the Housing Authority. HUD requires that the Board of Commissioners approve the Fiscal Year 2008-2009 Budget prior to the release of funds for continued operation of the Assisted Housing Division, Housing Management Division, and eight residential and community assistance programs.

The Housing Authority must receive formal approval annually for its cost allocation plan that was developed in 2002 by KPMG, its auditors at the time. The details of the allocation plan were previously submitted to your Board in May 2007, and subsequently approved in June 2007. The allocation methodology remains the same for Fiscal Year 2008-2009.

On July 1, 2007, the Housing Authority implemented a 5% general salary adjustment for all employees, which was approved at 10% over the next three years. Due to budgetary constraints, the decision was made not to adjust the bottom and top of the salary ranges by the same percentage at that time. Following consultation with the Chief Executive Office, the Housing Authority is requesting to increase the top of the range by 5% for each classification to stay marketable and reduce compression at the top of the salary ranges. However, due to fiscal constraints, there will be no general salary adjustments for Housing Authority employees in Fiscal Year 2008-2009. The Housing Authority is forgoing the general salary adjustments this year in order to retain merit increases based on job performance.

FISCAL IMPACT/FINANCING:

The Housing Authority's Fiscal Year 2008-2009 Budget includes a request to the Chief Executive Office for \$430,000 in County General Funds to support the University of

California Cooperative Extension Program (Cooperative Extension). The proposed Housing Authority Fiscal Year 2008-2009 Budget is \$294,058,500, a \$7,938,500 increase over Fiscal Year 2007-2008. This increase is primarily due to the increased activity in tax increment funds from the City of Industry for the development of housing for low-income individuals, families, and special needs populations, an increase in capital funds for the upgrade of Housing Authority-owned public housing, and new Condo Conversion activity for two projects in development for Coteau III and Casa Dominguez.

The following table compares funding levels for Fiscal Years 2007-2008 and 2008-2009.

Housing Authority	2007-2008 Budget	2008-2009 Budget
Divisions		
Assisted Housing – Section 8 Rental Assistance	\$ 231,433,000	\$ 232,588,700
Housing Management – Public Housing	\$ 31,927,900	\$ 30,815,200
Housing Management – Public Housing Modernization	\$ 8,707,400	\$ 10,204,900
Other Programs		
Telemedicine	\$ 120,000	\$ 117,000
Cooperative Extension	\$ 460,000	\$ 430,000
Youth in Focus	\$ 138,100	\$ 62,500
Fraud Investigation Unit	\$ 816,400	\$ 1,019,700
Office of Community and Educational Partnerships	\$ 1,867,600	\$ 2,057,500
City of Industry – Tax Increment	\$ 9,011,600	\$ 13,860,800
Condo Conversion	\$ 0	\$ 1,287,500
Traffic Violator School Monitoring	\$ 1,638,000	\$ 1,614,700
TOTAL	\$ 286,120,000	\$ 294,058,500
Staffing		
Regular Staff	288.33	290.76
Contract Staff	96.27	88.17
TOTAL	384.60	378.93

Assisted Housing Division

During Fiscal Year 2008-2009, the Assisted Housing Division will administer a total of \$232,588,700 to provide rental assistance to approximately 23,250 low- and very low-income families and seniors. This is an increase of \$1,155,700 over Fiscal Year 2007-2008, and reflects the Housing Authority's increased lease-up rates anticipated for Fiscal Year 2008-2009.

Housing Management Division

The Housing Management Division manages and maintains 3,636 housing units and provides resident services such as computer centers, programs for youth, after-school homework assistance and counseling services.

Based on a new HUD requirement, all Public Housing Authorities (PHAs) must convert to site-based budgeting no later than September 1, 2011. The purpose for site-based budgeting is to encourage PHAs to foster accountability at the site level consistent with the private sector. Under new regulations, HUD will limit the administrative/overhead cost to a predetermined monthly management fee. The fee-for-service concept associated with the central office must be reasonable and in line with current market rates.

The Housing Management Division has implemented site-based budgeting beginning with the fourth quarter of Fiscal Year 2006-2007. On April 11, 2007, the Housing Authority submitted a stop-loss application kit to HUD, which was subsequently approved on December 14, 2007 following an on-site review in October. The submission kit and all accompanying documentation demonstrate successful conversion to asset management, and will limit the reduction in future subsidy at a maximum of a 5% loss.

During Fiscal Year 2008-2009, the Housing Management Division will administer a total of \$30,815,200, which includes funds from HUD, public housing rent revenue, and other sources. The Budget reflects a decrease of \$1,112,700 from Fiscal Year 2007-2008, and is comprised primarily of decrease in salaries due to position reductions and less capital outlay due to completion of projects. CDBG funds will be used for public housing improvements and resident services. The total CDBG allocation for Fiscal Year 2008-2009 is comprised of \$1,737,704 carried over from Fiscal Year 2007-2008, and the new allocation amount of \$2,008,511.

The Housing Management Division also administers the Public Housing Modernization Program, which provides continuous upgrading of Housing Authority-owned public housing sites. The Modernization Program total budget includes \$5,443,800 in funds carried over from previous years and \$4,761,100 in funds from the Fiscal Year 2008-2009 allocation.

Other Programs

Housing Authority programs also include the Cooperative Extension, Youth in Focus, Office of Community and Educational Partnerships, Telemedicine, Traffic Violator School Monitoring (TVSM) programs, and Fraud Investigations Unit. These programs provide services to residents of Los Angeles County, including youth, adults, and seniors living in public housing sites.

The Cooperative Extension program, administered by the University of California, provides educational opportunities ranging from nutrition and job readiness to literature and growing food and plants. Their budget is funded with \$430,000 in County General Funds.

The Youth in Focus budget of \$62,500 is comprised of CDBG funds which allow it to continue its successful program of teaching the basics of photography to public housing site youth through classroom sessions and field trips.

OCEP continues to look at ways to maximize its services and has partnered with local colleges. Through its educational partnerships, interns and college students provide assistance and support to enhance resident services programs operated at its Housing Sites. The budget of \$2,057,500 is comprised of CDBG funds, other grants and Community Development Commission (Commission) General Funds.

The \$117,000 budgeted for the Telemedicine program provides for medical services, immunizations and workshops to promote health awareness at the Mary Henry Telemedicine Center and is funded by CDBG.

The TVSM program works in cooperation with the Los Angeles County Superior Court, California Department of Motor Vehicles, and the Los Angeles County Sheriff's Department. TVSM ensures that 161 traffic violator schools and 82 Internet and home study courses operating within the County are in compliance with all applicable municipal, state, and federal codes. In addition, the TVSM program provides employment opportunities to participants from public housing, Section 8, and the Department of Public Social Services' Back-to-Work program recipients. The Fiscal Year 2008-2009 budget of \$1,614,700 is funded entirely by Superior Court proceeds.

The Fraud Investigations Unit works closely with the administrative staff of the Section 8 and the public housing programs to ensure that tenants are complying with various federal regulations and local laws. Investigators respond to allegations against tenants suspected of failing to report income or housing of persons who are not on the lease. Investigators also work with local law enforcement to remove families whose conduct threatens the health or safety of others, or their right to the peaceful enjoyment of their premises, due to criminal activity. The Fiscal Year 2008-2009 budget of \$1,019,700 is

funded by revenues recovered from the fraud investigations unit and Section 8 administrative funds.

As required under California Government Code section 65584.3, the Housing Authority receives allocations of tax increment funds from the City of Industry to develop housing for low-income individuals, families, and special needs populations. These funds, budgeted at \$13,860,800, are allocated to the Housing Authority and are included in its Budget, but are administered by the Commission, which also serves as the redevelopment agency for the County of Los Angeles.

The Housing Authority is planning to utilize Condo Conversion Fees received in prior years for two development projects for Casa Dominguez and Coteau III.

Housing Authority Staff

Regular staff will increase by 2.43 positions and contract staff will decrease by 8.10 positions due to internal transfers and funding reductions.

A breakdown of staff information, by program, is provided in Attachment E.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

HUD requires that the Board of Commissioners adopt a Resolution approving the Housing Authority budget for administration of Housing Authority programs. The Resolution has been approved as to form by County Counsel.

The Resolution approving the Fiscal Year 2008-2009 budget and related HUD Transmittal Resolution are provided as Attachments A and B, respectively. The Resolution for adopting the cost allocation policy is provided as Attachment C. The Housing Authority's proposed amended salary schedule is provided as Attachment D. Published Budget Pages, detailing goals and objectives, and related expenditures for the upcoming year are provided as Attachment E.


ENVIRONMENTAL DOCUMENTATION:

Approval of the Housing Authority's Fiscal Year 2008-2009 Budget is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact or result in any physical changes to the environment. The activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378(b) because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES:

Approval of the Fiscal Year 2008-2009 Budget of the Housing Authority will enable housing programs to continue for low- and very low-income families and seniors.

Respectfully submitted,

for 
CARLOS JACKSON
Executive Director

Attachments: 5

RESOLUTION APPROVING THE FISCAL YEAR 2008-2009
BUDGET OF THE HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES

WHEREAS, the Board of Commissioners of the Housing Authority of the County of Los Angeles has received the Budget for Fiscal Year 2008-2009 and has found:

1. That the proposed expenditures are necessary for the efficient and economical operation of housing programs for the purpose of serving low-income families.
2. That the budget is reasonable in that:
 - (a) It indicates a source of funding adequate to cover all proposed expenditures.
 - (b) It does not provide for use of federal funding in excess of that payable under the provisions of 24 Code of Federal Regulations Section 990.
3. That all proposed rental charges and expenditures will be consistent with provisions of law and the Annual Contributions Contracts with the U.S. Department of Housing and Urban Development.
4. That no employee serving in a variety of positions is reflected in the operating budget as serving an aggregate amount of time exceeding 100 percent.
5. That the U.S. Department of Housing and Urban Development requires that the use of Section 8 Operating Reserve funds for other housing purposes, in the amount of \$50,000 or greater, must be approved by the Board of Commissioners.

WHEREAS, it is necessary for the Board of Commissioners of the Housing Authority of the County of Los Angeles to adopt an annual budget.

NOW, THEREFORE, the Board of Commissioners of the Housing Authority of the County of Los Angeles hereby resolves as follows:

1. The above recitals are true and correct.
2. The Housing Authority of the County of Los Angeles adopts the following budgeted revenues and appropriations for Fiscal Year 2008-2009, as set forth in the Annual Budget for the Housing Authority of the County of Los Angeles:

Estimated Funding

\$294,058,500

Expenditure and Reserve Appropriations:

\$294,058,500

3. That the use of Section 8 Operating Reserve funds for other housing purposes, in the amount of \$50,000 or greater, must be approved by the Board of Commissioners.
4. This Resolution shall take effect immediately.

APPROVED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles on this ____ day of _____, 2008.

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk of
the Board of Commissioners

By: _____
Deputy

By: _____
Chair of the Board of
Commissioners

APPROVED AS TO FORM:
RAYMOND G. FORTNER, JR.
County Counsel

By: Behney Jashub
Deputy

PHA Board Resolution
Approving Operating Budget

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 10/31/2009)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Housing Authority of the County of Los Angeles PHA Code: CA002

PHA Fiscal Year Beginning: July 1, 2008 Board Resolution Number: A-1

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- ☒ Operating Budget approved by Board resolution on: 06/04/2008
- ☐ Operating Budget submitted to HUD, if applicable, on: _____
- ☐ Operating Budget revision approved by Board resolution on: _____
- ☐ Operating Budget revision submitted to HUD, if applicable, on: _____

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name:	Signature:	Date:
Yvonne Brathwaite Burke, Chair		06/04/2008

RESOLUTION APPROVING THE FISCAL YEAR 2008-2009
COST ALLOCATION PLAN OF THE HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES

WHEREAS, the Board of Commissioners of the Housing Authority of the County of Los Angeles has received the Cost Allocation Plan for Fiscal Year 2008-2009 and has found:

1. That the proposed cost allocation plan is a reasonable and supportable methodology of allocating centralized administration costs to housing and/or development programs.
2. That the proposed cost allocation plan will be consistent with cost principles set forth in the Office of Management & Budget (OMB) Circular A-87, Cost Principles for State, Local and Indian Tribal Governments and other generally applied cost allocation methods.

WHEREAS, it is necessary for the Board of Commissioners of the Housing Authority of the County of Los Angeles to adopt a cost allocation plan.

NOW, THEREFORE, the Board of Commissioners of the Housing Authority of the County of Los Angeles, hereby resolves as follows:

1. The above recitals are true and correct.
2. The Housing Authority of the County of Los Angeles adopts the following cost allocation plan.
3. The U.S. Department of Housing and Urban Development (HUD) requires that a cost allocation plan be formally adopted by the governing body.
4. This resolution shall take effect immediately following Board approval and will be effective until a major change is made in the methodology, whereas the new cost allocation plan will be submitted for approval by the governing body.

APPROVED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles on the ____ day of _____, 2008.

ATTEST:

SACHI A. HAMAI
Executive Officer – Clerk of
The Board of Commissioners

By: _____
Deputy

By: _____
Chair of the Board of
Commissioners

APPROVED AS TO FORM:
RAYMOND G. FORTNER, JR.
County Counsel

By: Behruz Jash
Deputy

**COMMUNITY DEVELOPMENT COMMISSION
HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES**

MONTHLY SALARY SCHEDULE

EFFECTIVE JULY 1, 2008

CLASSIFICATION	LEVEL I	LEVEL II	LEVEL III	LEVEL IV	LEVEL V	LEVEL VI
MAINTENANCE WORKER	2467 3237	2846 3886	3564 4866	3922 5353	4314 5888	5130 7271
DEVELOPMENT SPECIALIST	3266 4287	3629 5143	4355 6174	5380 7625	5709 8394	
INFORMATION SYSTEMS SPECIALIST	3220 4396	3530 4818	4225 7098	6370 8022	6810 8939	
PROGRAM SPECIALIST	2772 3638	3081 4368	3697 5241	4277 6288		
ARCHITECT/ENG. SPECIALIST	4128 5417	4586 6500	5502 7799	6367 9361		
ACCOUNTANT	3248 4262	3609 5116	4331 6138	4921 7235		
ANALYST	3735 4901	4150 5883	4981 7059	5659 8320		
EXECUTIVE ASSISTANT	3430 4863	3670 5203	3927 5566	4202 5956		
ACCOUNTING TECHNICIAN	2239 2939	2488 3528	2879 4232			
OFFICE ASSISTANT	1832 2405	2024 2869	2489 3658			
TRAINEE	1387 1820	1485 2275	1635 2548			
ADMINISTRATIVE ASSISTANT	2885 4090	3206 4544				
CONSULTANT	5574 8192	5908 9013				
MANAGER	6775 9248	7549 11096				
RESIDENT MANAGER	1404 2655	1544 2921				
DIRECTOR	8666 12740					
ASSISTANT EXECUTIVE DIR.	9534 14018					

Ranges will be adjusted to conform with minimum wage as required by Federal or State law.

ATTACHMENT E

Program: Assisted Housing
Division: Assisted Housing

MISSION:

Provide rental assistance services to low-income families in a professional manner and in an atmosphere of care and respect for all clients.

MAJOR OBJECTIVES FOR FY 2008-09:

1. Maintain 95% or higher lease-up rate based on the funding allocations or number of vouchers.
2. Receive a Standard Performer or higher rating under the Section 8 Management Assessment Program (SEMAP).
3. Every month, maintain a 95% reporting rate under the Public and Indian Housing Information Center (formerly MTCS).
4. Respond to 97% of written public inquiries within ten working days.
5. Inspect 90% of initial contract units within seven working days of receipt of the Request for Tenancy Approval.
6. Issue 98% of available vouchers continuously, based on number of units authorized and available funding.
7. Continue to provide ongoing owner and tenant workshops at least once every quarter.
8. Increase enrollment in Family Self-Sufficiency by 50%.

PROGRAM BUDGET INFORMATION:

	2007-08 BUDGET	2007-08 ESTIMATE	2008-09 BUDGET
Salary and Benefits	\$12,555,800	\$12,281,100	\$12,120,300
Non-Personal Services	\$6,302,400	\$8,406,300	\$7,883,900
Subventions	\$210,359,000	\$208,636,000	\$210,636,000
Capital Outlay	\$470,000	\$205,000	\$0
Transfers	\$1,745,800	\$1,862,400	\$1,948,500
TOTAL	\$231,433,000	\$231,390,800	\$232,588,700
Number of Regular Employees	156.00	154.67	156.00
Number of Contract Employees	38.90	34.40	29.80

Program: Housing Management
Division: Housing Management

MISSION:

To effectively generate and utilize the resources of the Housing Authority to provide quality affordable housing and expand opportunities to improve the quality of life in housing developments through the involvement of employees, residents and community partners.

MAJOR OBJECTIVES FOR FY 2008-09:

1. Average an annual occupancy rate of 98% and limit unit turnaround time to 30 days.
2. Complete 100% of emergency work orders within 24 hours and non-emergency work orders within two working days.
3. Complete 100% of annual recertifications and 100% inspections of dwelling units.
4. Continue Crime and Safety Program activities throughout Los Angeles County.
5. Expand Closed Circuit Television (CCTV) installation to five additional housing developments.
6. Continue JJCPA Program at five housing developments.
7. Have 450 residents participate in the Family Resource Centers.
8. Collect 98% of Tenant Accounts Receivables.

PROGRAM BUDGET INFORMATION:

	2007-08 BUDGET	2007-08 ESTIMATE	2008-09 BUDGET
Salary and Benefits	\$9,911,500	\$8,993,700	\$9,678,400
Non-Personal Services	\$13,213,500	\$13,285,000	\$13,846,800
Restricted Fund	\$744,300	\$2,123,400	\$262,400
Subventions	\$0	\$0	\$0
Capital Outlay	\$6,008,800	\$1,828,400	\$5,164,400
Transfers	\$2,049,800	\$1,772,400	\$1,863,200
TOTAL	\$31,927,900	\$28,002,900	\$30,815,200
Number of Regular Employees	105.00	102.20	103.30
Number of Contract Employees	44.00	39.00	43.00

Program: Public Housing Modernization
Division: Housing Management

MISSION:

Provide for the renovation and modernization of public housing owned by the Housing Authority.

MAJOR OBJECTIVES FOR FY 2008-09:

1. Update and submit the Five-Year Action Plan and Annual Statement to HUD for the 2008 Capital Fund Program (CFP).
2. Ensure all target dates for the obligation and expenditure of funds are met, or revisions to the deadlines are submitted timely and approved by HUD.
3. Ensure timely submission of amendments to HUD for changes in the approved CFP funding activity, which cumulatively will involve more than 10% of the Annual Grant.
4. Complete 22 construction contracts at 17 housing sites, and close out two Capital Fund Programs for the agency.
5. Conduct two resident meetings in preparation for submitting the Annual Statement and the 5-year Plan to HUD.

PROGRAM BUDGET INFORMATION:

	2007-08 BUDGET	2007-08 ESTIMATE	2008-09 BUDGET
Salary and Benefits	\$0	\$395,300	\$202,000
Non-Personal Services	\$107,900	\$345,500	\$678,000
Subventions	\$0	\$0	\$0
Capital Outlay	\$8,599,500	\$3,693,300	\$9,019,400
Transfers	\$0	\$288,000	\$305,500
TOTAL	\$8,707,400	\$4,722,100	\$10,204,900
Number of Regular Employees	0.00	1.80	1.70
Number of Contract Employees	0.00	0.00	0.00

Program: Telemedicine
Division: Office of Executive Management

MISSION:

To improve access to health care, the CDC partners with the Wilmington Community Clinic to operate the Mary B. Henry Telemedicine Clinic in the South Los Angeles area. A clinical relationship also exists with the Charles R. Drew University of Medicine and Science. Using advanced telecommunications technology, doctors at Charles R. Drew University examine patients miles away at the hospital. The Mary B. Henry Telemedicine Clinic provides children with early diagnosis and treatment of asthma, immunization outreach, developmental screening, anemia and sickle cell screening, lead level testing and monitoring of other pediatric illnesses. The Center also provides breast examinations. The primary beneficiaries are the residents of the Housing Authority's designated South Scattered Sites area and the community-at-large.

MAJOR OBJECTIVES FOR FY 2008-09:

1. To increase the number of patient visits to the Telemedicine Clinic.
2. Expand the types of medical services offered at the clinic.
3. Conduct outreach to improve public health education.

PROGRAM BUDGET INFORMATION:

	<u>2007-08 BUDGET</u>	<u>2007-08 ESTIMATE</u>	<u>2008-09 BUDGET</u>
Salary and Benefits	\$0	\$0	\$0
Non-Personal Services	\$120,000	\$7,000	\$117,000
Subventions	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0
Transfers	\$0	\$0	\$0
TOTAL	<u>\$120,000</u>	<u>\$7,000</u>	<u>\$117,000</u>
Number of Regular Employees	0.00	0.00	0.00
Number of Contract Employees	0.00	0.00	0.00

Program: Cooperative Extension
Division: Office of Executive Management

MISSION:

Provide educational programs and activities in the areas of youth development, urban gardening, nutrition, and consumer science that enable youth and adults to make good decisions and lead better lives.

MAJOR OBJECTIVES FOR FY 2008-09:

1. Provide educational programs focused on family-related concerns such as food and nutrition, family relationships, food safety, consumer issues, and money management.
 2. Through the Expanded Food and Nutrition Education Program (EFNEP) and the 5-a-day Program, teach homemakers with limited incomes how to improve family diets, make better use of available resources, improve their food preparation skills, and eat more fruits and vegetables.
 3. Offer nutrition, gardening and consumer science programs designed for and targeted specifically towards seniors living in public housing. Provide on-site workshops for seniors on healthy eating, recipe demonstrations, fitness, and food safety.
 4. Upon request, provide various training including community service, goal setting, college access for teen residents and/or families at CDC sites, 4-H volunteers including education and technical assistance, and youth health and nutrition.
 5. Provide training, educational materials and technical assistance to family and senior housing residents who want to grow more of their own fruits and vegetables to augment their food budget.
 6. Provide training and technical assistance as requested on various landscaping and horticulture projects at County public housing sites, in conjunction with The Growing Experience.
-

PROGRAM BUDGET INFORMATION:

	<u>2007-08 BUDGET</u>	<u>2007-08 ESTIMATE</u>	<u>2008-09 BUDGET</u>
Salary and Benefits	\$0	\$0	\$0
Non-Personal Services	\$460,000	\$410,000	\$430,000
Capital Outlay	\$0	\$0	\$0
TOTAL	<u>\$460,000</u>	<u>\$410,000</u>	<u>\$430,000</u>
Number of Regular Employees	0.00	0.00	0.00
Number of Contract Employees	0.00	0.00	0.00

Program: Youth In Focus
Division: Executive Office

MISSION:

To teach photography and encourage positive self-esteem in at-risk youth within public housing communities.

MAJOR OBJECTIVES FOR FY 2008-09:

1. Maintain and increase youth participation in the Youth In Focus (YIF) photography program at four public housing sites.
2. Seek sponsorship of in-kind donations and program operational expense.
3. Enhance the newly introduced digital component of the existing program to include photo/video journalism.
4. Increase program visibility by means of photographic exhibits and program marketing as well as development of a year-end calendar.
6. Expand and update the project's civil service activity to include a multi-site performance enhanced with educational field trips and activities while documenting community events.

PROGRAM BUDGET INFORMATION:

	2007-08 BUDGET	2007-08 ESTIMATE	2008-09 BUDGET
Salary and Benefits	\$51,200	\$300	\$0
Non-Personal Services	\$86,900	\$38,300	\$62,500
Subventions	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0
Transfers	\$0	\$0	\$0
TOTAL	\$138,100	\$38,600	\$62,500
Number of Regular Employees	1.00	0.00	0.00
Number of Contract Employees	0.00	0.00	0.00

Program: Fraud Investigations Unit
Division: Office of Executive Management

MISSION:

Ensure compliance with federal regulations and program requirements to reduce the incidence of fraud and criminal activity among Housing Choice Voucher (Section 8) tenants and public housing residents.

MAJOR OBJECTIVES FOR FY 2008-09:

1. Respond to Fraud Hot Line calls within 48 hours, and investigate as appropriate.
2. Strengthen partnerships with the Los Angeles County Sheriff's Department and local law enforcement to reduce the incidence of criminal activity.
3. Provide training to landlords and property managers on effective ways to screen tenants.
4. Conduct compliance checks with tenants whose conduct threatens the health, safety, or right to peaceful enjoyment of their premises.
5. Provide fraud investigative services to local municipalities under memoranda of understanding.

PROGRAM BUDGET INFORMATION:

	<u>2007-08 BUDGET</u>	<u>2007-08 ESTIMATE</u>	<u>2008-09 BUDGET</u>
Salary and Benefits	\$633,200	\$700,300	\$791,000
Non-Personal Services	\$183,200	\$187,500	\$228,700
Subventions	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0
Transfers	\$0	\$0	\$0
TOTAL	<u>\$816,400</u>	<u>\$887,800</u>	<u>\$1,019,700</u>
Number of Regular Employees	1.00	1.00	1.00
Number of Contract Employees	4.27	6.17	7.37

Program: Office of Community and Educational Partnerships (OCEP)
Division: Executive Office

MISSION:

To provide needs-based programs and services to the agency and the communities it serves. OCEP's goal is to build bridges and support productive partnerships between the CDC, educational institutions, community organizations and other agencies/its community.

MAJOR OBJECTIVES FOR FY 2008-09:

1. Develop and maintain quality academic placements to meet the needs of the CDC and its communities through academic internships, service learning, practicums and other civically engaged programs.
2. Continue internship programs to support the CDC in the following areas: after-school education, social service programs, crime and safety, workforce development, recreation programming, art, human resources & training, information technology, community and economic development, public administration and research.
3. Continue to implement and oversee the AmeriCorp*VISTA project for Resident Services Program in HACoLA public housing in the following areas: education and literacy, youth development, senior services, and resource development.
4. Continue to improve quality resident services programs and services to promote self-sufficiency and the quality of life for children, families, seniors, and persons with disabilities in HACoLA public housing.
5. Develop, implement and provide long-term financial sustainability strategy of resident services programs in HACoLA public housing through the collaborative partnership with the Los Angeles County Community Development Foundation.
6. Continue to oversee and implement ROSS Family and Elderly Grants and monitor program delivery to HACoLA public housing residents.

PROGRAM BUDGET INFORMATION:

	2007-08 BUDGET	2007-08 ESTIMATE	2008-09 BUDGET
Salary and Benefits	\$1,038,200	\$855,400	\$1,017,300
Non-Personal Services	\$823,400	\$604,500	\$1,040,200
Subventions	\$0	\$0	\$0
Capital Outlay	\$6,000	\$0	\$0
Transfers	\$0	\$0	\$0
TOTAL	\$1,867,600	\$1,459,900	\$2,057,500
Number of Regular Employees	5.00	4.00	6.00
Number of Contract Employees	8.50	6.00	8.00

Program: City of Industry Tax Increment
Division: Housing Development and Preservation

MISSION:

To implement an approved strategy for the allocation and distribution of the City of Industry funds for the development of housing for low-income individuals, households, and special needs populations.

MAJOR OBJECTIVES FOR FY 2008-09:

1. Allocate Round 12 funds through NOFA process for approximately \$10 million for 150 units.
2. Begin or continue construction for 3 Special Needs project involving 75 units.
3. Receive Certificate of Occupancy and complete 6 special needs projects for 161 units involving \$4.04 million of Industry funds.
4. Initiate and continue 4 Affordable Housing project involving 91 units.
5. Begin or continue construction on 9 affordable Development projects for 405 units involving \$2 million of Industry funds
6. Receive Certificate of Occupancy and complete 7 Affordable Development projects for 316 units involving \$3.8 million of Industry funds.

*Special Needs Housing includes housing for the developmentally disabled, mentally ill, victims of domestic violence, emancipated foster youth, persons with HIV/AIDS, homeless and at risk of homeless families, homeless frequent users of the Department of Mental Health and Health Services systems.

**Affordable Housing includes multifamily rental housing, rental housing for seniors, and affordable for-sale housing.

PROGRAM BUDGET INFORMATION:

	2007-08 BUDGET	2007-08 ESTIMATE	2008-09 BUDGET
Salary and Benefits	\$430,800	\$497,200	\$621,800
Non-Personal Services	\$24,700	\$23,200	\$23,700
Subventions	\$7,362,100	\$14,374,700	\$11,530,400
Capital Outlay	\$294,900	\$169,500	\$354,000
Transfers	\$899,100	\$811,600	\$1,330,900
TOTAL	\$9,011,600	\$15,876,200	\$13,860,800
Number of Regular Employees	4.33	5.38	6.76
Number of Contract Employees	0.60	0.00	0.00

Program: Condo Conversions
Division: Housing Development and Preservation

MISSION:

Generate additional rental housing, transitional housing or homeless shelters in Los Angeles County using grants or loans of condominium conversion fees.

MAJOR OBJECTIVES FOR FY 2008-09:

1. Complete predevelopment on Coteau III project and commence construction of 6 multi-family units for emancipated foster youth.
2. Complete predevelopment activities on Casa Dominguez project and commence construction of 70 units of affordable multifamily housing.

PROGRAM BUDGET INFORMATION:

	<u>2007-08 BUDGET</u>	<u>2007-08 ESTIMATE</u>	<u>2008-09 BUDGET</u>
Subventions	\$0	\$0	\$1,100,000
Capital Outlay	\$0	\$0	\$187,500
TOTAL	\$0	\$0	\$1,287,500
Number of Regular Employees	0.00	0.00	0.00
Number of Contract Employees	0.00	0.00	0.00

Program: Traffic Violator School Monitoring
Division: Office of Executive Management

MISSION:

Administer the Traffic Violator School Monitoring Program for the County of Los Angeles as required for compliance with Section 11205 of the Vehicle Code of the State of California.

MAJOR OBJECTIVES FOR FY 2008-09:

1. Conduct monitorings of each traffic violator school on the Los Angeles County Classroom Location List at least once every 90 days; and audit each schools' business office annually.
 2. Monitor and audit each of the approved Home Study Traffic Schools on the Los Angeles Superior Court list by both on-line and site visits.
 3. Provide copies of all monitoring and audit reports to the Department of Motor Vehicles and Superior Court.
 4. Publish and provide the Superior Court with a list of approved traffic violator schools in Los Angeles County on a quarterly basis.
 5. Respond to all inquiries and complaints within 15 working days.
 6. Continue the Los Angeles County Sheriff Department fraud detection program providing undercover work and law enforcement services for TVSM to reduce traffic school fraud in the County.
 7. Process and evaluate Home Study Traffic School applications and courses for the Home Study program, and assist the Superior in maintaining the listing of approved schools.
-

PROGRAM BUDGET INFORMATION:

	2007-08 BUDGET	2007-08 ESTIMATE	2008-09 BUDGET
Salary and Benefits	\$1,053,000	\$1,039,900	\$1,042,600
Non-Personal Services	\$448,800	\$457,500	\$439,400
Subventions	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0
Transfers	\$136,200	\$127,200	\$132,700
TOTAL	\$1,638,000	\$1,624,600	\$1,614,700
Number of Regular Employees	16.00	16.00	16.00
Number of Contract Employees	0.00	0.00	0.00



**HOUSING AUTHORITY
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Administrative Office

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323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

April 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE CONSTRUCTION CONTRACT FOR
WILLOWBROOK TOWNHOMES SITE IMPROVEMENTS AND
REHABILITATION PROJECT (2)**

SUBJECT:

Approval of a construction contract (Contract) will provide for exterior site improvements and the rehabilitation of one vacant unit at the Willowbrook Townhomes housing development located at 11718-11740 Willowbrook Avenue in unincorporated Los Angeles County, and will ensure that residents have decent and safe living conditions.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the approval of a construction contract for exterior site improvements and the rehabilitation of one vacant unit at the Willowbrook Townhomes is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute a Contract in the amount of \$244,757, in substantially the form of the attached, and all related documents with SPEC Construction Company, Inc. to complete the site improvements and rehabilitation at the subject property, to be effective upon the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.

3. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$244,757 in General Fund Bond Fees, for the purposes described herein; and authorize the Executive Director to approve Contract change orders not exceeding \$48,951 for unforeseen project costs, using the same source of funds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to award a Contract to complete the exterior site improvements and rehabilitation at the Willowbrook Townhomes housing development.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The Housing Authority will fund the site improvements and rehabilitation with \$244,757 in General Fund Bond Fees. A 20% contingency, in the amount of \$48,951, is also being set aside for unforeseen costs, using the same source of funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The site improvements and rehabilitation project at Willowbrook Townhomes is part of the HUD-approved Five-Year Action Plan under CFP. The scope of work includes painting, roofing, flooring, concrete walkway replacement, fence installation, removal of trees, landscaping, casework and cabinetry, electrical, carpentry, and plumbing, and all associated work.

The improvements are being federally funded and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, SPEC Construction Company, Incorporated will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Housing Authority wishes to award the Contract to SPEC Construction Company, Inc. to complete the exterior site improvements and rehabilitation project. The Contract has been approved as to form by County Counsel and executed by SPEC Construction Company Inc.

ENVIRONMENTAL DOCUMENTATION:

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act (NEPA) because it

involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 because it does not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS:

On March 10, 2008, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject property. Invitations for Bids were mailed to all Class B licensed contractors identified from the Housing Authority's vendor list. Advertisements also appeared in seven local newspapers and on the County WebVen website. Twenty-one bid packages were requested and distributed.

On April 3, 2008, six bids were received and formally opened. The lowest bid, submitted by SPEC Construction Company, Inc., was determined to be the most responsive and is being recommended for the Contract award. The Summary of Outreach Activities is provided as Attachment A.

IMPACT ON CURRENT PROJECT:

The award of the Contract will improve the exterior of the site and the interior of one unit in order to provide the residents with decent and safe living conditions.

Respectfully submitted,


for CARLOS JACKSON
Executive Director

Attachments: 2

ATTACHMENT A

Summary of Outreach Activities

Willowbrook Townhomes Site Improvements and Rehabilitation Project

On March 10, 2008, the following outreach was initiated to identify a contractor for the exterior site improvements and rehabilitation at the Willowbrook Townhomes Housing Development located at 11718-11740 Willowbrook Avenue in unincorporated Los Angeles County.

A. Newspaper Advertising

Announcements appeared in the following seven local newspapers:

Dodge Construction News	Los Angeles Sentinel
Eastern Group Publications	Los Angeles Times
International Daily News	The Daily News
La Opinion	

An announcement was also posted on the County Web Site.

B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 518 B-licensed contractors, of which 347 identified themselves as businesses owned by minorities or women (private firms which are 51% owned by minorities or women, or publicly-owned businesses in which 51% of the stock is owned by minorities or women). As a result of the outreach, twenty bid packages were requested and distributed.

C. Pre-Bid Conference and Site Walk

On March 20, 2008, a mandatory pre-bid conference and site walk was conducted. Twenty-three firms were in attendance.

D. Bid Results

On April 3, 2008, a total of six bids were received and publicly opened. The bid result was as follows:

<u>Company</u>	<u>Bid Amount</u>
SPEC Construction Company Incorporated	\$244,757
AZ HOME Incorporated	\$273,278
OSA Group Incorporated	\$338,000
C.A.S General Contractor	\$346,900
Y&M Construction	\$348,740

CHI Construction

\$395,276

E. Minority/Female Participation – Selected Contractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
SPEC Construction Company, Incorporated	Non-Minority	Total: 9 0 Minorities 2 Women 0% Minorities 22% Women

F. Minority/Female Participation – Contractors Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
AZ HOME Incorporated	Non-Minority	Total: 13 5 Minorities 2 Women 38% Minorities 15% Women
OSA Group Incorporated	Non-Minority	Total: 6 4 Minorities 0 Women 66% Minorities 0% Women
C.A.S General Contractor	Minority	Total: 4 4 Minorities 0 Women 100% Minorities 0% Women
Y&M Construction	Non-Minority	Total: 18 13 Minorities 3 Women 72% Minorities 16% Women
CHI Construction	Non-Minority	Total: 6 4 Minorities 2 Women 66% Minorities 33% Women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including providing information at local and national conferences, conducting seminars for minorities and women regarding programs and services, advertising in newspapers to invite placement on the vendor list, and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

Contract Summary

Project Name: Willowbrook Townhomes Site Improvements and Rehabilitation Project
Location: 11718-11740 Willowbrook Avenue, in Unincorporated Los Angeles County
Bid Number: CDC08-394
Bid Date: April 3, 2008
Contractor: SPEC Construction Company, Incorporated
Services: Site Improvements and the Rehabilitation of One Vacant Unit

Contract Documents: Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all Addenda to the Contract Documents.

Time of Commencement and Completion: The work to be performed under this Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within Sixty (60) calendar days following the required commencement date.

Liquidated Damages: In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Four Hundred Dollars and Zero Cents (\$400.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

Contract Sum: The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Two Hundred Forty Four Thousand Seven Hundred Fifty Seven Dollars and Zero Cents (\$244,757.00)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

Contract Contingency: \$48,951.00



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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

April 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE CONSTRUCTION CONTRACT FOR FIRE ALARM SYSTEM
REPLACEMENT AT HERBERT AVENUE SENIOR HOUSING DEVELOPMENT (1)**

SUBJECT

Approval of the construction contract (Contract) will provide for the replacement of the existing fire alarm system for improved and safe living conditions at the Herbert Avenue senior housing development located in unincorporated Los Angeles County.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the approval of a construction contract for the replacement of the existing fire alarm system at the Herbert Avenue senior housing development is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute a Contract in the amount of \$66,900, in substantially the form of the attached, and all related documents, with JAM Corporation (Contractor), to complete the fire alarm system replacement at the Herbert Avenue senior housing development, effective upon the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval, and execution by all parties.
3. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$66,900 in Capital Fund Program (CFP) funds provided by the U.S. Department of Housing and Urban Development



(HUD) and included in the Housing Authority's approved Fiscal Year 2007-2008 budget, for the purposes described above.

4. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not to exceed \$16,725 for unforeseen project costs, using the same source of funds described above.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to award a Contract for fire alarm system replacement at the Herbert Avenue senior housing development.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The Housing Authority will fund the replacement project with \$66,900 in CFP funds allocated by HUD and included in the Housing Authority's approved Fiscal Year 2007-2008 budget. A 25% contingency, in the amount of \$16,725, is also being set aside for unforeseen costs using the same source of funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The 46-unit Herbert Avenue senior housing development was built in 1984 and the existing fire alarm system is original to the building. The project will replace the existing outdated fire alarm system with a new and advanced fire alarm system that includes a multiplexing addressable control unit, new alarm initiating devices, new occupant notification appliances, fire sprinkler valve assembly, waterflow switch, valve position supervisory switches, exit signs and all related work.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, DMS Construction Incorporated will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Housing Authority wishes to award the Contract to JAM Corporation, Incorporated, to complete the fire alarm system replacement. The Contract has been approved as to form by County Counsel and executed by JAM Corporation.

ENVIRONMENTAL DOCUMENTATION:

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 because it does not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS:


On January 16, 2008, the Housing Authority initiated an outreach. Invitations for Bids were mailed to all Class B and C-10 licensed contractors identified from the Housing Authority's vendor list. Advertisements also appeared in eight local newspapers and on the County WebVen website. Thirteen bid packages were requested and distributed.

On February 14, 2008, six bids were received and formally opened. The lowest bid, submitted by JAM Corporation, was determined to be the most responsive and is being recommended for the Contract award. The Summary of Outreach Activities is provided as Attachment A.

IMPACT ON CURRENT PROJECT:

The award of the Contract will replace the existing outdated fire alarm system with a new and advanced fire alarm system that will provide improved and safe living conditions at the Herbert Avenue senior housing development.

Respectfully submitted,


for CARLOS JACKSON
Executive Director

Attachments: 2

ATTACHMENT A

Summary of Outreach Activities

Herbert Avenue Senior Housing Development Fire Alarm System Replacement Project

On January 16, 2008, the following outreach was initiated to identify a contractor for the fire alarm system replacement at the Herbert Avenue senior housing development, located at 133 South Herbert Avenue in unincorporated Los Angeles County.

A. Newspaper Advertising

Announcements appeared in the following eight local newspapers:

Dodge Construction News	Los Angeles Sentinel
Eastern Group Publications	Los Angeles Times
International Daily News	The Daily News
La Opinion	WAVE Community Newspapers

An announcement was also posted on the County Web Site.

B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 600 B-licensed contractors, of which 514 identified themselves as businesses owned by minorities or women and to 201 C-10 licensed general electrical contractors, of which 180 identified themselves as businesses owned by minorities or women (private firms which are 51% owned by minorities or women, or publicly-owned businesses in which 51% of the stock is owned by minorities or women). As a result of the outreach, 13 bid packages were requested and distributed.

C. Pre-Bid Conference and Site Walk

On Jan 28, 2008, a mandatory pre-bid conference and site walk was conducted. Sixteen firms were in attendance.

D. Bid Results

On February 14, 2008, a total of six bids were received and publicly opened. The bid result was as follows:

<u>Company</u>	<u>Bid Amount</u>
JAM Corporation	\$66,900.00
DDR/DATALINE	\$68,672.00
Barragan Electrical	\$118,347.00

Vargus Structures, Inc.	\$159,600.00
AVA Builders, Inc.	\$228,466.35
Minako America Corporation	\$247,700.00

E. Minority/Female Participation – Selected Contractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
JAM Corporation	Non-Minority	Total: 119 117 Minorities 6 Women 98% Minorities 5% Women

F. Minority/Female Participation – Contractors Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
DDR/DATALINE	Minority	Total: 13 9 Minorities 1 Woman 69% Minorities 8% Women
Barragan Electrical	Minority	Total: 2 2 Minorities 1 Woman 100% Minorities 50% Women
Vargus Structures, Inc.	Minority	Total: 11 11 Minorities 1 Women 100% Minorities 9% Women
AVA Builders, Inc.	Non-Minority	Total: 9 2 Minorities 2 Women 22% Minorities 22% Women
Minako America Corporation	Non-Minority	Total: 42

17	Minorities
0	Women
40%	Minorities
0%	Women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, by providing information at local and national conferences, conducting seminars for minorities and women regarding programs and services, advertising in newspapers to invite placement on the vendor list, and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

Contract Summary

Project Name: Herbert Avenue Senior Apartment Fire Alarm System Replacement Project
Location: 133 South Herbert Avenue, in unincorporated Los Angeles County
Bid Number: CDC08-332
Bid Date: February 14, 2008
Contractor: JAM Corporation
Services: New fire alarm system and all associated work.

Contract Documents: Part A – Instructions to Bidders and General Conditions; Part B – Specifications & Drawings; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all Addenda to the Contract Documents.

Time of Commencement and Completion: The work to be performed under this Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within one hundred twenty (120) calendar days following the required commencement date.

Liquidated Damages: In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Four Hundred Dollars and Zero Cents (\$400.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

Contract Sum: The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Sixty-six Thousand Nine Hundred Dollars and Zero Cents (\$66,900.00)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

Contract Contingency: \$16,725.00



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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

April 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE CONSTRUCTION CONTRACT FOR 106TH STREET HOUSING
DEVELOPMENT DRAINAGE IMPROVEMENTS PROJECT (2)**

SUBJECT:

Approval of the construction contract (Contract) will provide for drainage improvements at the 106th Street housing development located at 1100 and 1104 West 106th Street in unincorporated Los Angeles County and ensure that residents have decent and safe living conditions.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the approval of a construction contract for drainage improvements at the 106th Street housing development is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute a Contract in the amount of \$68,450, in substantially the form of the attached, and all related documents with Belaire-West Landscape, Inc. to complete the site drainage improvements at the subject property, to be effective following execution by all parties and the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.



3. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$68,450 in Capital Fund Program (CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2007-2008 budget for the purposes described herein; and authorize the Executive Director to approve Contract change orders not exceeding \$13,690 for unforeseen project costs, using the same source of funds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to award a Contract to complete the site drainage improvements at the 106th Street housing development.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The Housing Authority will fund the rehabilitation with \$68,450 in CFP funds allocated by HUD and included in the Housing Authority's approved Fiscal Year 2007-2008 budget. A 20% contingency, in the amount of \$13,690, is also being set aside for unforeseen costs, using the same source of funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The drainage improvements project at the 106th Street housing development is part of the HUD-approved Five-Year Action Plan under CFP. The scope of work includes the replacement of new concrete paving, drains and drainage lines, sump pump and grate, and related work.

The improvements are being federally funded and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, Belaire-West Landscape, Inc. will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Housing Authority wishes to award the Contract to Belaire-West Landscape, Inc. to complete the site drainage improvements project. The Contract has been approved as to form by County Counsel and executed by Belaire-West Landscape Inc.

ENVIRONMENTAL DOCUMENTATION:

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 because it does not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS:

On January 9, 2008, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject property. Invitations for Bids were mailed to all Class A licensed contractors identified from the Housing Authority's vendor list. Advertisements also appeared in seven local newspapers and on the County WebVen website. Eight bid packages were requested and distributed.

On February 21, 2008, two bids were received and formally opened. The lowest bid, submitted by Belaire-West Landscape Inc., was determined to be the most responsive and is being recommended for the Contract award. The Summary of Outreach Activities is provided as Attachment A.

IMPACT ON CURRENT PROJECT:

The award of the Contract will improve the drainage of the site and provide the residents with decent and safe living conditions.

Respectfully submitted,


for CARLOS JACKSON
Executive Director

Attachments: 2

ATTACHMENT A

Summary of Outreach Activities

106th Street Housing Development Drainage Improvements Project

On January 9, 2008, the following outreach was initiated to identify a contractor for the site drainage improvements at 106th Street housing development located at 1100 and 1104 West 106th Street in unincorporated Los Angeles County.

A. Newspaper Advertising

Announcements appeared in the following seven local newspapers:

Dodge Construction News	Los Angeles Sentinel
Eastern Group Publications	Los Angeles Times
International Daily News	The Daily News
La Opinion	

An announcement was also posted on the County Web Site.

B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 558 A-licensed contractors, of which 326 identified themselves as businesses owned by minorities or women (private firms which are 51% owned by minorities or women, or publicly-owned businesses in which 51% of the stock is owned by minorities or women). As a result of the outreach, eight bid packages were requested and distributed.

C. Pre-Bid Conference and Site Walk

On January 15, 2008 a mandatory pre-bid conference and site walk was conducted. Eight firms were in attendance.

D. Bid Results

On February 21, 2008, a total of two bids were received and publicly opened. The bid result was as follows:

<u>Company</u>	<u>Bid Amount</u>
Belaire-West Landscape Inc.	\$ 68,450.00
Y&M Construction, Inc.	\$103,812.50

E. Minority/Female Participation – Selected Contractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Belaire-West Landscape, Inc.	Women Owned	Total: 48 47 Minorities 3 Women 98% Minorities 6% Women

F. Minority/Female Participation – Contractors Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Y&M Construction, Inc.	Non-Minority	Total: 12 9 Minorities 1 Women 75% Minorities 8% Women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

Contract Summary

Project Name: 106th Street Drainage Improvements Project
Location: 1100 and 1104 West 106th Street, in unincorporated Los Angeles County
Bid Number: CDC08-317
Bid Date: February 21, 2008
Contractor: Belaire-West Landscape, Inc.
Services: Regrading, concrete, drains and drainage lines

Contract Documents: Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all Addenda to the Contract Documents.

Time of Commencement and Completion: The work to be performed under this Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within thirty (30) calendar days following the required commencement date.

Liquidated Damages: In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Four Hundred Dollars and Zero Cents (\$400.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

Contract Sum: The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Sixty Eight Thousand Four Hundred Fifty Dollars and Zero Cents (\$68,450.00)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

Contract Contingency: \$13,690.00



**HOUSING AUTHORITY
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Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

April 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE CONSTRUCTION CONTRACT FOR 106TH STREET FIRE DAMAGE
REPAIR & REHABILITATION PROJECT (2)**

SUBJECT:

Approval of the construction contract (Contract) will provide for fire damage repair and rehabilitation at the 106th Street housing development located at 1334-1338½ W. 106th Street, in unincorporated Los Angeles County, and ensure that residents have decent and safe living conditions.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the approval of a construction contract for fire damage repair and rehabilitation at the 106th Street housing development is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute a Contract in the amount of \$293,800, in substantially the form of the attached, and all related documents with C.A.S. General Contractor, to complete the fire damage repair and rehabilitation at the subject property; to be effective upon the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.



3. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$217,982 in Capital Fund Program (CFP) funds provided by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2007-2008 budget, for the purposes described herein.
4. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not exceeding \$29,380 for unforeseen project costs, using CFP funds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to award a Contract to complete the fire damage repair and rehabilitation at the 106th Street housing development.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The project will cost a total of \$293,800. The Housing Authority will provide \$217,982 in CFP funds allocated by HUD and included in the Housing Authority's approved Fiscal Year 2007-2008 budget, and McLarens Young International will provide \$75,818 in insurance reimbursement funds. A 10% contingency, in the amount of \$29,380, is also being set aside for unforeseen costs, using CFP funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The fire damage repair and rehabilitation project at the 106th Street housing development is part of the HUD-approved Five-Year Action Plan under CFP. The scope of work includes plumbing, electrical, painting, roofing, carpentry, cabinetry, and flooring and associated work.

The improvements are being federally funded and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, C.A.S. General Contractor will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Housing Authority wishes to award the Contract to C.A.S. General Contractor to complete the fire damage repair and rehabilitation project. The Contract has been approved as to form by County Counsel and executed by C.A.S. General Contractor.

ENVIRONMENTAL DOCUMENTATION:

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 because it does not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS:

On December 12, 2007, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject property. Invitations for Bids were mailed to all Class B licensed contractors identified from the Housing Authority's vendor list. Advertisements also appeared in seven local newspapers and on the County WebVen website. Nineteen bid packages were requested and distributed.

On January 31, 2008, eight bids were received and formally opened. The lowest bid, submitted by Santos Construction, was determined to be non-responsive because the firm was unable to meet the minimum requirement of three references with successful completion of at least three residential rehabilitation projects within California, in excess of \$250,000, within the last five years. Santos Construction listed two references that did not meet the minimum requirements. The second-lowest bid, submitted by C.A.S General Contractor, was determined to be the most responsive and is being recommended for the Contract award. The Summary of Outreach Activities is provided as Attachment A.

IMPACT ON CURRENT PROJECT:

The award of the Contract will provide for fire damage repair and rehabilitation of the site in order to provide the residents with decent and safe living conditions.

Respectfully submitted,


CARLOS JACKSON
Executive Director

Attachments: 2

ATTACHMENT A

Summary of Outreach Activities

106th Street Fire Damage Repair and Rehabilitation Project

On December 12, 2007, the following outreach was initiated to identify a contractor for the fire damage repair and rehabilitation at the 106th Street housing development located at 1334-1338 1/2 W. 106th Street, in unincorporated Los Angeles County.

A. Newspaper Advertising

Announcements appeared in the following eight local newspapers:

Dodge Construction News	Los Angeles Sentinel
Eastern Group Publications	Los Angeles Times
International Daily News	The Daily News
La Opinion	Wave Community Newspapers

An announcement was also posted on the County Web Site.

B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 518 B-licensed contractors, of which 347 identified themselves as businesses owned by minorities or women (private firms which are 51% owned by minorities or women, or publicly-owned businesses in which 51% of the stock is owned by minorities or women). As a result of the outreach, ten bid packages were requested and distributed.

C. Pre-Bid Conference and Site Walk

On December 27, 2007 and January 10, 2008, mandatory pre-bid conferences and site walks were conducted. Twenty-two firms were in attendance at both pre-bid conferences.

D. Bid Results

On January 31, 2008, a total of eight bids were received and publicly opened. The bid result was as follows:

<u>Company</u>	<u>Bid Amount</u>
Santos Construction	\$229,825
C.A.S General Contractor	\$293,800
AZ HOME Incorporated	\$322,130

Union Construction Company	\$401,064
Sunrise Construction Incorporated	\$528,068
CA Construction	\$555,162
Tek-Up Construction Incorporated	\$579,324
CHI Construction	\$580,125

E. Minority/Female Participation – Selected Contractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
C.A.S General Contractor	Minority	Total: 4 4 Minorities 0 Women 100% Minorities 0% Women

F. Minority/Female Participation – Contractors Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Santos Construction	Minority	Total: 4 4 Minorities 1 Women 100% Minorities 25% Women
AZ HOME Inc.	Non-Minority	Total: 12 5 Minorities 2 Women 42% Minorities 17% Women
Union Construction Co.	Minority	Total: 4 4 Minorities 0 Women 100% Minorities 0% Women
Sunrise Construction Inc.	Minority	Total: 27 20 Minorities 7 Women 74% Minorities 25% Women

CA Construction	Minority	Total: 20
		20 Minorities
		3 Women
		100% Minorities
		15% Women
Tek-Up Construction Inc.	Non-Minority	Total: 3
		1 Minorities
		1 Women
		33% Minorities
		33% Women
CHI Construction	Non-Minority	Total: 6
		4 Minorities
		2 Women
		66% Minorities
		33% Women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including providing information at local and national conferences, conducting seminars for minorities and women regarding programs and services, advertising in newspapers to invite placement on the vendor list, and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

Contract Summary

Project Name: 106th Street Fire Damage Repair & Rehabilitation Project
Location: 1334-1338 ½ W. 106th Street, in unincorporated Los Angeles Co.
Bid Number: CDC07-256
Bid Date: January 31, 2008
Contractor: C.A.S. General Contractor
Services: Fire Damage Repair and Rehabilitation

Contract Documents: Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all Addenda to the Contract Documents.

Time of Commencement and Completion: The work to be performed under this Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within One-Hundred Eighty (180) calendar days following the required commencement date.

Liquidated Damages: In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Four Hundred Dollars and Zero Cents (\$400.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

Contract Sum: The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Two Hundred Ninety Three Thousand Eight Hundred Dollars and Zero Cents (\$293,800.00)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

Contract Contingency: \$29,380.00



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Commissioners

Carlos Jackson
Executive Director

April 23, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE PURCHASE OF PROPERTY INSURANCE, EXCESS WORKERS'
COMPENSATION AND EXCESS GENERAL AND AUTOMOBILE LIABILITY
INSURANCE FOR THE HOUSING AUTHORITY (ALL DISTRICTS)**

SUBJECT:

This letter requests approval for the purchase of property insurance, excess workers' compensation insurance, and excess general and automobile liability insurance for the Community Development Commission and the Housing Authority.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the purchase of property insurance, excess workers' compensation insurance and excess general and automobile liability insurance is not subject to the provisions of the California Environmental Quality Act, as described herein, because the action will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve the combined purchase, with the Community Development Commission, of property insurance, excess workers' compensation insurance and excess general and automobile liability insurance, at a premium cost of approximately \$800,000 for the period from July 1, 2008 to June 30, 2009, through Alliant Insurance Services, Inc.



3. Recommend that the Board of Commissioners authorize the Executive Director to purchase the property insurance, excess workers' compensation insurance and excess general and automobile liability insurance and to make payments, as needed, for workers' compensation and general liability claims, using funds approved in the Fiscal Year 2008-2009 budget.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to purchase property insurance, excess workers' compensation insurance and excess general and automobile liability insurance for the Community Development Commission and the Housing Authority under Joint Purchase Programs created by Alliant Insurance Services, Inc. The proposed purchase will provide required excess coverage above the Commission and Housing Authority's self-insured retentions.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The total approximate annual premium cost of \$800,000 will be paid from funds approved in the Fiscal Year 2008-2009 budgets of the Commission and the Housing Authority.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On May 25, 1993, the Board of Supervisors of approved the Commission and Housing Authority's participation in a Joint Purchase Program provided by Robert F. Driver Company, now known as Alliant Insurance Services, Inc. The property, excess workers' compensation and excess liability and automobile insurance programs combine the purchasing power of public agencies to obtain insurance at rates below those available individually. Programs are underwritten by numerous insurance carriers, which are all rated "A" Superior to Excellent by Best's Key Rating Guide. There is no sharing of limits or risk, and each participant is protected to the same extent as if separate policies had been written, with the exception of the excess workers' compensation insurance.

The Fiscal Year 2007-2008 budgeted amount for insurance coverage was \$805,000, and the actual premium for insurance coverage was \$608,897, which included property, excess workers' compensation and excess general and automobile liability insurance. Coverage under the Joint Purchase Program, again provided by Alliant Insurance Services Inc, will be at an estimated annual cost not to exceed \$800,000. The amount budgeted for the Fiscal Year 2008-2009 premium is constant with the amount budgeted for the Fiscal Year 2007-2008 premium due to continued price stabilization in the insurance market.

Few carriers meeting the Commission and the Housing Authority's rating requirements are prepared to offer coverage as broad as this program, which includes coverage from employment practice liability and employee benefits liability. These items, which are usually purchased separately for an additional premium, are included as part of the master policy.

Alliant Insurance Services, Inc. is unable to provide a substantial premium estimate until mid-June; however, if needed, Alliant Insurance Services will provide coverage between the effective date of July 1, 2008 and the date of Board approval.

Ten to fifteen percent of the premium will be paid to Alliant Insurance Services, Inc. as a broker fee, in accordance with industry standards.


ENVIRONMENTAL DOCUMENTATION:

The purchase of property insurance, excess workers' compensation insurance and excess general and automobile liability insurance is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34(a)(3) because it involves administrative activities that will not have a physical impact or result in any physical changes to the environment. The action is not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES:

The proposed insurance will provide all the required coverage for Commission and Housing Authority properties and activities.

Respectfully submitted,

for 
CARLOS JACKSON
Executive Director